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# ***JPRS Report—***

## **Near East & South Asia**

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# Near East & South Asia

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**Iran Reportedly Tries To Create 'Hezbollah' in Maghreb**

90P40052 London *AL-DUSTUR* in Arabic  
14 May 90 p 7

in the Arab Maghreb countries under one umbrella called "Hezbollah." Iranian circles have appointed a Tunisian personality living in Switzerland to lead this party.

[Text] Circles with connections to the Iranian regime have made rapid efforts to unite Iran's "organizations"

**Employment, Crime Statistics on Yerevan**

46050022 Istanbul MARMARA in Armenian  
16 Apr 90 p 3

[Text] Yerevan—A total of 640,000 residents of the Armenian capital are employed in the people's economy. Of that number, 610,000 work in the state sector. That number includes the employees of the Soviet Ministry of Defense as well as other departments and enterprises.

Cooperatives employ 22,000 residents of Yerevan, while 8,000 residents of the city are self-employed. There are also 85,000 students who are not involved with industry (unemployed).

There are 77,000 residents who are employed in the production of goods and services. The average monthly salary of employed persons was R 266 in 1989 compared to R 244 in 1988.

Deposits at the Yerevan Savings Bank rose to R 147.7 million in 1989; the total savings of the city's population reached R 1,859.5 million [in 1989].

We learn from a comprehensive report that appeared in the 26 February 1990 issue of YEREKOYAN YEREVAN that the population of the capital had serious difficulties in meeting its needs for potatoes and fruits and vegetables.

The report by the census administration for the city of Yerevan says: "As a whole, the quantity of food resources offered for sale are adequate to supply the population without interruptions. However, the variety and consumer appeal of those products remain incompatible with the needs of the population. There are shortages of high-quality flour, corn, cracked barley and oats. The supply of pasta products from high-quality or first grade flour is inadequate. There have been interruptions in the supply of dairy-based pastries, biscuits and cookies."

The report adds: "The variety of clothing and shoes available in stores is extremely limited. The increase in purchases of such goods from overseas has not improved the status of the sale and distribution chain."

There are 265,900 students in the capital's educational institutions.

According to the report, 2,704 crimes were recorded in Yerevan in 1989. This represents an increase of 678, or 33.5 percent, over the previous year. The crimes committed in the city in 1989 include 45 premeditated murders and attempted murders, 230 premeditated acts of serious bodily injury and 9 rapes or attempted rapes.

## REGIONAL AFFAIRS

### IMF Viewed More Burden Than Aid to Debtor Nation

90AA0119A London *AL-HAWADITH*  
in Arabic 20 Apr 90 pp 42-43

[Excerpts] The ultimatum that burdens the Sudan could have been issued to any of several Arab countries and poor nations of the Third World. That ultimatum was given by IMF president Michel Camreau as he gave the Sudan until 15 July to take steps to settle its huge, overdue debt service.

The ultimatum indicates the extent to which the IMF directly influences and intervenes in national economies. The authority of the Fund has grown into an international government that issues warnings and threats and intervenes in economic and even political systems. Most of the poor nations—be they Arab, Latin American, or even European—are burdened by debts supervised and managed by the IMF which began to pressure delinquent nations unable to service their accumulated debts. Those nations now face two choices—deprive themselves of the necessities of life in order to repay their debts, or default and be damned by the international monetary system. [passage omitted]

The IMF opined that Sudanese authorities should maintain a unified exchange rate, abolish subsidies to life-sustaining consumer goods, and privatize unprofitable state enterprises.

The IMF is therefore acting as government by demanding a change in the Sudanese system.

This is not the first time it has done so, of course. It has frequently interfered, and still does, in the affairs of Jordan, Algeria, Egypt, and other Arab and foreign countries by proposing that the public sector be shrunk in favor of the private sector, and recommending a change in the rate of the dinar, franc, or pound. It sometimes calls for austerity by tightening the belts of citizens and depriving them of necessities.

The IMF intervenes in its capacity as creditor and so do other creditor nations and even commercial banks. All this is in the name of debts that must be repaid and of indebtedness that has become a sword hanging over nations and their peoples. [passage omitted].

The Fund did not help Egypt, despite its important Arab, African, and world roles, without pressuring it on its accumulated debts. The IMF agreement with Egypt, according to *AL-AHRAM*, does not yet cover the exchange rate of the pound or the debt's interest rate. Even the final agreement with the Fund will merely reschedule Egypt's accumulated debts, nothing more.

The fact is, the debt burden is tremendous for debtor nations as a whole. Creditor nations have shown no willingness to partially forgive those debts, reduce interest rates, or even reschedule them without altering

the economic structure of debtor nations. This has prompted the United States to call upon the IMF to sell \$1.2 billion worth of gold reserves in order to help 11 IMF members repay overdue debts currently totalling \$4 billion. The U.S. Assistant Secretary of the Treasury David Malford proposed to a congressional committee that a portion of the gold sales income be used to market part of the unsettled debt of Vietnam, Cambodia, Guyana, Honduras, Liberia, Panama, Peru, Sierra Leone, Somalia, the Sudan, and Zambia. In return, those countries would agree to fiscal reform and commit to new economic policies before being entitled to new financing.

The proposal was presented by the U.S. representative to the IMF board early last February but was strongly opposed by several member countries which wanted to safeguard the IMF secure reserves of 103 million ounces of gold. The U.S. proposal called for selling 3 million ounces of gold, or three percent of total reserves, representing the combined delinquency of debtor nations. That gold is of course part of the reserves of debtor nations.

National debts fall into three categories: loans by rich nations to poor ones, direct IMF loans to poor nations, and loans by commercial banks to those poor nations. Delinquencies have adversely impacted such commercial banks as the Bahrain-based Gulf International Bank (GIB). A GIB official disclosed that Mexican debt reduction and rescheduling in accordance with the plan put forth by U.S. Secretary of the Treasury Nicolas Brady was one of the reasons why the bank allotted \$725 million in its 1989 budget as reserves to cover nonperforming third world debt.

The GIB official said that those reserves amount to 55-60 percent of loans to developing nations. The decision to increase nonperforming debt reserves to \$693.5 million last year caused the bank to declare its biggest loss ever. GIB management had previously proposed that those debts be partially transformed into investment equity in debtor nations, in accordance with the Brady plan for Mexican debt settlement, as an experimental first step that could be expanded to other nations classified as nonperforming and unable to meet scheduled obligations. The official added that the bank management accepted the Mexican offer subject to the Brady plan, which fixed the interest rate at 6.25 percent and rescheduled payment of the remaining debt over 20 years.

The Brady plan gives Latin American debts priority for political reasons, despite opposition from many Arab and international commercial banks because the plan shifts the brunt of the problem to commercial banks. The GIB decision to increase its paid capitalization from \$641.9 million to \$1 billion underscores the burden imposed on commercial banks by Third World indebtedness.

This indebtedness, which has turned into an economic catastrophe threatening the international monetary

order, is in fact the result of world economic imbalances occasioned because nations, especially the poorer ones, are living and spending beyond their means while many of them are suffering declining revenues.

Third World debt, including interest due and debt service, amounted to some \$1,000 billion in 1988, rising in 1989 in addition to annual loans estimated at \$150 billion. Experts believe that settlement of this debt in the near term would be difficult, because repayment in full requires that those nations tighten their belts beyond their actual abilities to do so.

Experts also emphasize that even if Third World debt is forgiven, as difficult as that is, world economic realities would change very little. The proposed forgiveness would take the form of some type of Marshall Plan whereby major industrial nations use their trade surpluses with poorer nations to help those nations using industrial nation currencies. By so doing, the industrial nations would merely prepare the poor nations to remain as their dependents.

The trade balances of poor nations, according to experts, are almost totally dependent on the purchasing and import needs of major industrial nations. Poor nations export to the advanced world products that bring in hard currencies. This indicates that the poor nations have actually become dependents of major industrial countries, either because of their indebtedness or because of the world monetary order which is responsible in large part for turning that indebtedness into chains that bind the poor nations of the Third World.

The secretariat of the UN Conference for Trade and Development (UNCTAD) reported that economic disarray in poor nations is undermining the new strategy to resolve the world debt crisis by decreasing its volume in accordance with the Brady plan, implemented first with Mexico and then with the Philippines. Such disarray, according to UNCTAD, threatens the economic stability programs launched by the IMF and by the International Development Bank by inducing higher rates of inflation; escalating budgetary deficits; higher volumes of money in circulation, especially by printing more banknotes; high interest rates; and mounting domestic state debts resulting in lower domestic currency development. [as published]

Nevertheless, a competent economic source believes that the problem lies with the international monetary order and is evident in three major instances:

First, the pivotal role assumed by the IMF which dates back to 1982 when the Mexican crisis exploded. The IMF has become a major force with impact on national fiscal and monetary policies as a whole.

Second, this increased IMF role has led to expanded requirements. It has gone beyond intervention in interest and exchange rates to interfering into structural policies relating to the role of the public sector, investment

priorities, export and import incentives, and the cost-effectiveness of certain industries.

Third, there is now full coordination between the Fund and various international, state, and commercial sources of financing. It has become the standard for loans and aid.

Regardless of the Fund's role, its assumption of full trusteeship for the international monetary order has created a one-sided world economy, especially since its operations are influenced to a great extent by policies of the United States, issuer and guarantor of the dollar. Consequently, any flaw in IMF operations could impact on all national policies and monetary systems in the world as a whole.

Arab indebtedness deserves another discussion, but it is part and parcel of Third World indebtedness. Figures circulated at the Frankfurt conference of the Federation of Arab Banks put total Arab indebtedness at more than \$200 billion.

Even though settlement of that debt is tied to the international effort to resolve the debt crisis as a whole, the Arab world may collectively come up with some unique solution to the indebtedness of certain Arab countries. Recommendations are numerous, including a proposal to transform Arab debt into bonds by creating an Arab organization funded by Arab monetary and development funds, Islamic banks, Arab international banks, and other regional organizations. The new institution would manage Arab debts and issue bonds against commercial banks loans to indebted Arab nations in order to assure the capital flows needed to finance Arab development. The organization would also devise for all indebted Arab nations comprehensive reform policies that address public sector positions and mismanagement, the flight of capital overseas because of the lack of profitable investment opportunities, domestic savings weakened by the lack of incentives, unrealistic spending allocations that discourage capital inflows, and particularly remittances of Arab expatriates. Others see the need to specify a course of action by Arab debtors. This essentially calls for reforms similar to those of the Brady plan and entails reducing current shortfalls and deficits in Arab debtor nations by providing suitable financing; removing interest rate controls; adopting flexible exchange policies; gradually lifting price controls; and reforming legal and accounting systems.

International and Arab banks, aid-donor governments, and regional and national organizations and Arab development funds have, in the view of some experts, played an active role in financing the external needs of various Arab states. In the 10-year period preceding 1988, Arab bank loans to Arab states totalled some \$22 billion and exceeded loans by those banks to any other region. Since Arab countries are indebted mostly to banks and institutions, dealing with those debts on a regional level may

be an option. Regional and national development institutions in the Arab Gulf are capable of playing an important role in reviving the economies of indebted Arab countries.

The same experts point out that Arab assets abroad exceed \$670 billion compared with Arab debts of only \$200 billion. This means that the international banking system is indebted to the Arab world for some \$470 billion.

The question remains, however, on how to execute that equation and whether there will be an Arab decision to do so, rather than maintain Arab funds abroad while several Arab nations remain under the thumb of international banks and organizations, thanks to their tremendous debt burden.

The League of Arab States, its two councils, its association, and the rest of the Arab countries, are all collectively responsible for resolving the crisis of indebted Arab nations before it undermines the Arab world in its entirety.

### Economic Challenges Facing Gulf in Nineties Discussed

90AE0044A London *AL-HAWADITH*  
in Arabic 13 Apr 90 p 44

[Text] Riyad—Muhammad 'Abdallah al-Mala, the general secretary of the Federation of Gulf Chambers, stated that the Gulf economies are entering a new phase of balanced economic development in the 1990s, especially after the foundations of international and regional detente have been consolidated, as represented in the improvement of East-West relations and the industrialized states' concern with settling the Third World debt problem.

On the regional level, the Arab Gulf states have witnessed the emergence of a number of positive factors that have increased confidence and optimism regarding the future of development. One such factor is the cessation of the Iraq-Iran war, which has strengthened economic stability and led to the return of Gulf capital that had been invested abroad. Oil prices have also improved due to increased consumption in European states and the OPEC agreement on setting the production ceiling at a certain level.

The Gulf balances for 1989 tended to show an increase in expenditures, reflecting the desire of the Gulf governments to support the continued progress of economic and social development and provide a good level of services to citizens.

Al-Mala added that the uninterrupted development of the nonoil sectors, and the increase in nonoil exports to foreign markets, have reduced the degree of dependence on oil as a basic source of national income. Other salient trends include the improved performance of several main economic sectors during 1989, after a decline in

previous years in some sectors, such as the reexport trade sector and land transportation sector; an increase in the importation of consumer goods; and an increase in the prices of real estate and investment lands. In addition, the increase in the prices of some Gulf shares due to the advent of subscription the establishment of financial markets in Bahrain and Oman, and the effort by the United Arab Emirates and Qatar, have led to an examination of the possibility of establishing financial markets.

Regarding the role of the Gulf private sector during the 1990s, al-Mala stated:

The matter requires an objective review and evaluation of the challenges and achievements of the previous phase, which was characterized by the giving of priority to the private sector to play an influential role in different economic activities, after most development programs and plans embraced affirmation of this principle. There is no doubt that the ability of the private sector in the Gulf to bear the burdens of the 1990s depends in large measure on the extent of its success in using its own abilities and accumulated experience and in identifying deficiencies to be eliminated.

We in the general secretariat of the federation believe that it is important to study the following recommendations for enhancing the efficiency of the private sector's development role in the future:

The first task facing the Gulf private sector is to eliminate the negative effects of the decline in economic activity. Perhaps the most significant effect is the tendency to prefer liquid assets over fixed assets, which has produced reticence about entering into secondary investments.

There is no doubt that we are seeking an excuse for the private sector. The indebtedness to the banking system that broke the back of numerous private companies and organizations, which had been flourishing, stemmed from taking loans and buying construction equipment and machinery. Those who made efforts to invest their capital in liquid investment were saved from this fate. It should be noted that there is an improvement in the trend toward investing in fixed assets, and it is desirable to strongly promote this trend.

The second challenge is linked somewhat to the previous challenge and pertains to the importance of accepting failure. The environment in which business persons operate is a blend of opportunities and risks. Failure and success are equally possible. Experience and skill are clearly present in those private sector organizations that manage to extricate themselves from the abyss of failure and move on to the horizons of success. That can only be achieved by studying the causes of failure in a way that goes beyond the symptoms of a problem to plumb its depths.

This leads us to the essence of the third challenge, namely the development of an administrative structure

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for Gulf private sector organizations based on modern administrative methods to overcome administrative, financing, and marketing problems. Such a structure should also be based on investment decisions regarding different economic projects that rely on sound economic and technical benefits analyses taking into account the size of the targeted project, market demand, and competing goods.

The banking sector is also called upon to bear more responsibility in compensating for the expected shortage of direct governmental investments by providing long-term credit financing to the private sector. This orientation requires structural and legal changes that permit the banking sector to administer its liabilities and assets according to the future needs of the private sector.

Also, the Gulf private sector must participate in manpower development based on the Gulf citizen being the means for achieving development objectives.

Precise criteria for designating governmental projects to be transferred to the private sector must be determined so that these projects can produce a suitable financial yield for the private sector while reducing the financial burdens of governments. Such transfers should be conducted so as not to reduce the adequacy of the projects or cause an increase in the prices of services or goods offered by them.

Al-Mala added: A major challenge facing the future of development in the Gulf region is the private sector's ability to enter world markets and open export channels for national goods. The importance of interwoven official and popular efforts in this regard must be emphasized. We hope that the Gulf chambers will seek to form trade delegations to tour other countries to introduce and promote national products. We call on the Gulf government to provide maximum incentives and credit facilities. It is also necessary to thoroughly examine worthy opportunities for investments in the production and services sectors based on a long-range view of development, not on the unrealistic view of those who expect to obtain high profits. Special priority should be given to investment projects that contribute significantly to the gross domestic product and help reduce dependence on imports.

Muhammad 'Abdallah al-Mala added: The world around us is witnessing a major change in the direction of the creation of large economic and political entities. While we have attempted here to focus on the economic challenges, we should not at all neglect the political challenges. If our economic organizations are concerned with economic developments, they should also be aware that all economic data are produced within a political framework.

### Arab Economic Council Addresses Food Sufficiency Issues

90AA0092A London *AL-HAWADITH*  
in Arabic 23 Mar 90 p 45

[Article: "Unpublished Papers From Arab Economic Council Meetings: Population Explosion Threatens Arab Food Security!"]

[Text] The Arab Economic Council [AEC], which has completed its agenda and meetings in Cairo, made decisions and recommendations, stressed the importance of economic integration, and appealed for a return to the archives of the Arab League and Arab solidarity, where draft agreements and formulas for economic cooperation, integration, and unity are accumulated. The council referred implicitly to a basic point, which is that not only are the many drafts and formulas important, but that it is most important to begin implementation. The council stressed that current events in Europe and worldwide make implementation urgent.

Unpublished papers and reports written by certain participants in AEC activities refer to some ways these projects could be implemented.

On the subject of "Industrialization in the Arab World," these working papers said that the first such policy followed by the Arab countries was one of replacing imported goods with those manufactured by necessary consumer industries.

According to knowledgeable sources, this policy carried the seeds of its own crisis and could not continue to develop the production structure for several reasons, including: the limited domestic market, horizontal expansion in consumer industries at the expense of production industries, inability to change the pattern of international allotment of labor, which led exports to remain primarily agricultural and mineral materials, and the increased problem of unemployed manpower.

Facing this situation, certain Arab countries established industries specializing in production for export, and some took other steps, such as establishing free zones, promulgating foreign investment encouragement laws, and making possible joint ventures with foreign companies, resulting in:

Increased reliance of the economies in some Arab countries on foreign countries, making domestic markets subject to the policies of companies seeking to internationalize these markets, and international companies' participation in export-oriented projects, which raised prices and occasionally lowered production costs.

These knowledgeable sources said that future industrial policy must counter with a strategy for Arab industrial development that seeks to advance the Arab people and guarantee the ability of the Arab nation to stand fast in the face of challenges, particularly the Zionist challenge, eliminate dependency on foreign countries, and grow more and more to rely on their heritage.

This strategy requires historical social action involving quantitative and qualitative changes aimed at the people, which in turn requires industrial production by an Arab production structure different from the existing structure. In other words, there must be an industrial structure working together with the other economic sectors, and a national scientific and technological base must be established. This would be difficult for each Arab country to do on its own, so expansion of the market becomes an unavoidable, objective necessity on a broader Arab level.

According to the same sources, this requires capital expansion of the market in each Arab country by loading the financial pendulum, changing the pattern of distribution of income, and working to eliminate, or at least reduce, disparities. The market must also be expanded horizontally; that is, Arab markets must be integrated among themselves. All of this necessitates responding to the Arab countries' intention to industrialize with an interlocking regional industrial structure. This structure would make possible specialization, division of labor, and definition of principles on which industries in one Arab country or another could be localized.

These knowledgeable sources disclosed the contents of other papers circulated by the AEC, including one on the food crisis.

This paper stressed that united Arab efforts must be made in accordance with an agriculture strategy within a program of cooperation and economic integration. This is true because the Arab countries are currently one of the regions which rely most on foreign countries to obtain food. Consequently, it is the most affected by the global food problem and the most severely harmed, even though between 53 percent and 84 percent of the total labor force in Arab countries works in the agricultural sector.

The paper contained grave figures on the human factor in the Arab food crisis. The population of the Arab countries in 1980 was 170 million, an increase of approximately 47 million since 1970, and an annual growth rate of 4.7 million, or 2.9 percent, as opposed to 1.8 percent worldwide during the same period.

In examining the annual growth rate, we see that the population of the Arab countries doubles every 24 years. Thus, according to these same sources, if the population continues to increase in the same fashion, it will reach 227 million by the end of 1990 and 259 million by the year 2000.

These figures show that a serious population explosion exists in Arab countries which will have a serious impact at all levels—policy, economic, social, and health, and particularly on food and food supply as a whole in Arab countries.

However, this population explosion would have been unexceptional if there were an integrated economic strategy taking the reality of the Arab nation, specifically

the population, into consideration. This economic strategy would also take directly into consideration the agricultural sector as a whole.

Between 2.5 and 12.3 percent of the total area of the Arab countries is cultivated, which is very low. In addition, methods of exploiting and cultivating the land, storage, and marketing are on the whole primitive, not having reached modern, technological levels, which contribute to reduced agricultural production.

Many factors hamper the success of the agricultural sector and of agriculture as a whole in the Arab world: the types of seeds, climate factors, the soil, and water. Knowledge of the climate in one Arab country or another is a necessity in order to know what crops are suitable for this climate or for that, rather than being a matter of random experimentation. A map must also be drawn of water resources throughout the Arab world to help benefit from all this water, whether through diversion, storage, building dams, or drilling wells. The Arab countries are wealthy and poor in water at the same time because they do not properly exploit it.

Furthermore, the use of agricultural machinery is still so limited in most of the Arab countries that the use of tractors in Arab agriculture constitutes less than one percent of their total use world wide. Ancient tools of wood and other materials and the use of animals in pulling and cultivation is still prevalent, limiting the volume of agricultural production.

Scientific information on fertilizers and insecticides is also necessary, as is production of fertilizers and insecticides, rather than allowing them to be imported and to control and negatively affect agricultural conditions.

According to these same sources, the paper reported that the grains cultivated in most Arab countries are not cultivated in such a way that meets the needs of the population, particularly since Arab cuisine depends to a great extent on grains, especially wheat. This also requires planning, whether to improve grain production or to develop Arab cuisine, so that it does not rely entirely on grains, particularly wheat.

The Arab world is vast and expansive enough to raise animals of all types, rather than importing them; a primary factor in any food strategy.

In light of the above, according to the sources, if the Arab countries can produce all they require, they will still have to allocate production operations among themselves in order to specialize, even in agricultural production, with one country producing wheat and other grains, one producing rice, one specializing in vegetables and fruits, and others allocated the raising of poultry and meat or dairy animals.

All of this requires a unified view in the Arab world and a comprehensive view of the future for industry, agriculture, and the overall economy.

### Activities of Israeli Academic Center in Cairo Described

90AE0026A London *AL-MAJALLAH*  
in Arabic 17 Apr 90 pp 34-36

[Article by 'Arafah 'Abduh 'Ali: "Israeli Center Attracts Students, Entices Them With Grants and Travel"]

[Text] In the middle of Cairo there is an Israeli academic center. While its official role is to spread culture and contribute to carrying out studies and research, security reports indicate that it is one of the Israeli centers of espionage in the Egyptian capital, Cairo. The following report highlights the activities and projects of this center.

The job was difficult and burdensome: to find out about something unknown and mysterious near the Israeli embassy in Cairo at 92 Nile Street near the Sheraton Hotel. I was not confronted by any question or interrogation by the security force stationed at the entrance to the building, which is owned by the artist Magda. As I climbed the stairs, I had mixed feelings: anxiety, hesitation, and desire to discover the unknown. But why the hesitation? Amos Elon, who had been in the first Israeli delegation to arrive in Cairo, had gone out of his way to meet a number of Egyptian writers and thinkers—key figures in Egyptian culture—and had explored their vision of the Egyptian-Israeli peace. Upon his return, he busied himself with recording his impressions and ideas in his book, "Journey Inside Egypt."

There were visits by Israeli scholars, writers, and journalists who browsed at their pleasure in our country. Some of them even wrote in Egyptian newspapers and magazines—for example, Shim'on Shamir, 'Amos 'Oz, and Brig. Gen. Hadayfni.

I went to apartment 33 on the third floor. I came upon a sign, "The Israeli Academic Center in Cairo," in three languages: Arabic, Hebrew, and English.

One of the Egyptians working in the center—his name was Husayn—received me. I also met other Egyptians—Tawhid and Midhat. All three speak fluent Hebrew. The apartment consists of three rooms and a hall. To the right of the entrance is a small cabinet on which the Egyptian and Israeli flags have been placed.

The walls of the hall are covered with shelves full of books, mostly in Hebrew. Facing the shelves is a big table. Students of Hebrew from Cairo and 'Ayn Shams universities were seated at it.

Mrs. Sila, the secretary of the director of the center, approached me. She speaks good Arabic and received me with obvious warmth. Having made my acquaintance, she escorted me in my tour of the books and printed materials. She reviewed some of the periodicals and publications with me and gave me some of them as gifts. From time to time she repeated her fervent welcome to me and stated that the center's facilities were always at the service of Egyptian scholars. She said to me, "If you need any scholarly reference materials not available here

in the library, the center is ready to bring them from Israel." Then she talked to me about the center's activities. She said she was happy with her work and with her constant meetings with Egyptians.

On the shelves were English and French works about the history of Israel and Israeli society. I noticed bound volumes of UKTUBAR, AL-MUSAWWAR, FUSUL, AL-KARMIL, some of the works of Dr. 'Abd-al-'Azim Ramadan, Dr 'Ali Shalash's book "Al-Yahud wa al-Masun fi Misr" [The Jews and the Masons in Egypt], Muhammad Hasanayn Haykal's "Milaffat Suez" [Suez Files], and an old edition of "Yahud al-Bilad al-'Arabiyyah fi al-Jahiliyyah wa Sadr al-Islam" [The Jews of the Arab Countries in Pre-Islamic and Early Islamic Times], which was the doctoral dissertation that Israel Wolfson wrote under the supervision of Taha Husayn. I also noticed some Israeli literary magazines and informational publications issued by the Israeli embassy in Cairo.

### The Jewish-Arab Institute

I also noticed copies of the Hebrew-Arab seasonal magazine LIQA', which is published by the Jewish-Arab Institute that Histadrut founded in 1984 in Beyt Beraq. It is devoted to publishing literary works by Jewish and Arab writers from Israel and some of the Arab countries. The same institute publishes a bimonthly Hebrew magazine, GET TO KNOW THE REGION, containing information on events of the Arab world and on issues of society, education, and professional organizations. The fifth issue of this magazine contained a special supplement about Egypt.

The magazine LIQA' gives the functions of the Jewish-Arab Institute as: holding conferences and lectures about "possibilities for Jewish-Arab coexistence, strengthening chances for peace in the region," holding sessions on "Jewish-Arab cooperation historically and socially," and giving study grants for research on peace policy and relations between the two peoples. Among the conferences organized by the institute in the last two years were "Israel's Arabs: Coexistence or Assimilation," "Jewish-Arab Relations," "Peace Between Peoples and Nations," and "the Arabs in Israel and the West Bank."

Participants in these conferences and meetings have included current Israeli foreign minister Moshe Arens, Abba Eban, Ezer Weizmann, health minister Shoshana Arbeli, the institute's chairman Natan Almosilino, Histadrut secretary general Yisra'el Qeysar, a number of Histadrut leaders, public personalities, and the Egyptian ambassador Muhammad Basyuni.

A glass partition separated the office of the center's director from the library. The director's room contains a desk and a reception room. There is also a hall for conferences and lectures, an archive room, and a video library containing propaganda films about Israeli society.

Mrs. Sila came up to me again and said, "Dr. 'Ovadja wants to talk to you." I felt no doubt that this was so, since he had been following me from behind the glass partition. I already had detailed information about him. The man shook hands with me, and I sat down with him. Some of 'Ovadja's features mark him as of Greek origin. His probing and testing confirm his ability to analyze and distinguish ideas.

'Ovadja tried in his conversation to stress the "historical links" between the Israeli and Egyptian people! He said, "We are trying to build a bridge of understanding and intellectual harmony over a deep gulf representing 30 years of enmity." He also said, "The fact is that we are trying to make our presence in Cairo something normal." He expressed his regret that most of the Egyptian people saw cooperation with Israel as "abnormal activity." Then he contradicted himself and said, "If there is a minority opposed to normalizing relations, this minority has great influence."

'Ovadja then indicated that the many visits by Israeli orientalists and scholars to Egyptian research institutions have confirmed the existence of a "tendency" that did not encourage the development of relations with Israel. He said, "We must overcome the psychological obstacles. We must cure them with patience in order to embody all the hopes of peace and realize speedier development in relations of closeness and friendship after a long-continued violent and bloody struggle." He added, "I am not out to make judgments. I carry no instrument to measure the warmth with which Egyptians shake our hands or the size and sincerity of their smiles."

I said to him, "Your talk about 'peace and its dreams' is fine. But what about the 'iron fist policy' that Israeli forces are using against the unarmed Palestinian people? Don't you think what you are saying is incompatible with the stubbornness of Shamir's recently resigned government and its blocking of any serious attempt toward real peace?"

He answered, "I remind you that I am not a politician. However, I say that each side has a different view of the essence of the conflict. The Arabs have always refused to accept Israel as part of the Middle East. If the Palestinian problem is foremost for you, for us the problem of our existence is foremost."

#### History of the Center

The Israeli Academic Center was established in May 1982 to implement Section 3 of Supplement 3 to the so-called "Egyptian-Israeli Peace Treaty" signed in Washington in May 1980. Opponents of the center's existence and of its kind of activity say that it is one of the most important offensive instruments in Israel's strategy of an intellectual attack on the Egyptian mind. They say that it is an advance tool of the Israeli foreign intelligence service (Mosad) to infiltrate all fields of academic research and Egyptian life in general. The

center is supervised by the Israeli Academy of Science and Letters in cooperation with the Israeli Oriental Society.

In addition to the center's role at the official level of facilitating the work of Israeli scholars who come to Egypt and making the necessary official arrangements for them to carry on their research and to facilitate their contacts with Egyptian universities and research centers, the center also publishes the English-language BULLETIN OF THE ISRAELI ACADEMIC CENTER IN CAIRO. The latest issues have come out partly in Arabic. It presents propaganda information about scientific and technological progress and university activities in Israel. It publicizes scientific areas that it considers to be fields for mutual cooperation between Egyptian and Israeli scholars. It presents a variety of historical studies on what it calls "reciprocal cultural influences between Jewish culture and Arab culture." There is also a thick magazine entitled LIQA'. It is issued in Arabic and Hebrew and concentrates on publishing studies about what it calls elements shared by Arab and Jewish thought. It also publishes translations of Hebrew literature and literary works by major or lesser known writers in the Arab world. The center also distributes a magazine entitled AL-TARBIYAH MIN AJL AL-SALAM, published by the Jewish-Arab Council for Peace Education.

The center's library attracts students and scholars from Hebrew language and literature departments in the Egyptian universities. It contains Jewish reference works in various fields, as well as a video library consisting entirely of propaganda films sent from Israel. The center helps the scholars who frequent it use the sources in Israel required for their research. In March 1987, the center began to offer a new service to attract students by distributing applications to those wanting to obtain grants to study and do research at Israeli universities.

#### Other Functions

The cultural agreement allows the center to give aid and assistance to Israeli scholars and to direct them to Egyptian professors who agree to cooperate in providing information and joint studies. Opponents of the center's existence say that it is a plot to survey Egyptian society thoroughly, map its political, religious, and intellectual currents, and formulate an exact idea of social and economic conditions. The center arranges lectures by Israeli academics and gives university professors, journalists, and groups of students the opportunity to attend them.

Professor Shim'on Shamir, the present Israeli ambassador in Cairo, was the center's first director. He was born in Romania on 15 December 1933 and emigrated with his family to Palestine in 1940. He studied oriental studies at the Hebrew University in Jerusalem and obtained a doctorate from Princeton University in America early in 1967. He founded the Shiloah Center for Middle East and African Studies. He is considered one of the most prominent Israeli experts on Egyptian

## NEAR EAST

affairs and is the founder of the Department of Modern Egyptian History at Tel Aviv University. He remained director of the center for 3 years, until October 1984. He was aided in his job by his wife, Dani'ela Shamir, who was born in Palestine on 10 September 1934. He has two daughters, Rachel (born 20 April 1966) and Ruth (born 15 January 1968). Shamir has authored many studies about contemporary political trends and developments in the Arab-Israeli conflict. He worked as a visiting professor at Harvard, Pennsylvania, and Cornell universities. He visited Egypt eight times before taking over the direction of the center in April 1981. During each visit he met with former President Anwar al-Sadat and developed strong friendships with the "normalization lobby" in the Egyptian administration. During those visits he carried out what could be called a complete survey of most of the governorates of Egypt.

Intelligence expert Gabri'el Warburg became the center's next head in October 1984. He is one of the most prominent Israeli experts in Middle Eastern affairs, particularly Egypt and the Sudan. He was born in Berlin on 12 July 1927. When he was six, he left for Palestine with his family and settled in the city of Haifa. He studied at primary school there and in Ben-Shihih Agricultural College and became interested in anthropology. After the 1948 declaration of the establishment of Israel, he joined the Israeli army until 1954. Then he received an appointment to the Military Intelligence Institute (Aman). In 1963 he became responsible for Egyptian affairs in the research division of the General Staff Organization for Military Intelligence. In 1965 he entered the Department of Oriental Studies at the University of London, where he earned the doctorate. His dissertation subject was "The Nationalist Movement in the Modern Sudan." In 1968 he served as a professor in the department of Middle Eastern history at Haifa University. He helped found the university's department of Middle East studies at the recommendation of General Aharon Yariv, former head of military intelligence, current head of the Israeli Institute for Strategic Studies, and head of the Israeli delegation in what were called the "Tripartite Conferences on Psychiatry" with the United States and Egypt. The Center for Middle East Studies operates in full coordination with the Shiloah Center for Middle East and African Studies. The establishment of the latter was proposed by Israeli intelligence at the beginning of the sixties.

Warburg has done a series of studies of Egypt dealing with political and economic conditions after the June 1967 war and the war of attrition. He has also written a study of late President Jamal 'Abd-al-Nasir and Egypt's foreign policy during his administration.

Warburg is said to have a well-known history in the area of gathering information for the Israeli intelligence agencies. As soon as he assumed his post, he brought a large number of Israeli scholars to Cairo to carry on studies and research. This is one of the ways used by Israeli intelligence to obtain nonmilitary information. These scholars belong to research and information gathering

departments in Mosad and the Israeli Foreign Ministry. As soon as they arrived in Egypt, they began to collect information from various sources.

## Behind the Center

The center's current director, Professor Asher 'Ovadya, took up his post in April 1987. He was formerly professor of classical architecture and history of ancient Christian art at Tel Aviv University. He was born on 2 July 1937. Of Greek origin, he spent his childhood in the district of Salonika in Greece. He emigrated to Tel Aviv in 1949 and studied at the Hebrew University in Jerusalem. His wife, Ruth 'Ovadya, assists him at the center. She is Italian and was born on 6 April 1932. He has one daughter, named Esther, who was born on 3 February 1967.

'Ovadya lives at 33 Ahmad Hishmat Street, Apartment 33, in al-Zamalik, which is the permanent residence of the director of the Academic Center. He visited Egypt some 17 times before becoming the center's director and toured all the governorates. He is thoroughly acquainted with Egypt's successive cultures—Pharaonic, Greek, Roman, and Islamic—and is very interested in Islamic and Coptic architecture. Among his writings are: "Byzantine Churches in the Holy Land," and "Geometrical and Botanical Patterns in Ancient Mosaics." He constantly tries to attract Egyptian artists. He has in fact succeeded in setting up a number of exhibits about occupied Palestine by some of them and other joint exhibits with Israeli artists.

Opponents of relations between Egypt and Israel say that these relations have added new dimensions and quality to studies about the Egyptian scene. Such relations have provided Israeli research centers broader opportunities than previously available to obtain as much information as they can about political, economic, social, and cultural conditions in Egypt and to become well acquainted with the state of Egyptian society. Israeli diplomats perform a major role in conveying information. They are called upon to prepare a variety of weekly reports about political, military, economic, and cultural conditions, in addition to daily reports about the most important daily events—under the cover of diplomacy. Some embassy employees carry on their work in the framework of intelligence directives. These include former first press secretary Eli Landau, political consultant Ya'akov Rosen, former tourism attache Yosef Shapir, cultural attache Nahum Norel Yitzhaq, some administrative attaches such as Avraham Mizrahi, Mordekhay Azran, and the current press attache Me'ir Kohen, as well as Avraham Shalom, Michael David Salim in the center, Halim Salomon, Eliyahu Yasif Yitzhaq, and David Ben-Dov.

Egyptian intelligence agency reports reportedly indicate the existence of a direct link between Mosad and the Israeli Academic Center in Cairo. The center is said to provide Mosad with special confidential reports on a

periodic basis, apart from the academic studies and publications that it prepares for the purpose of camouflage.

#### Commentator Interprets Recent Iraqi Moves

44230129A Tel Aviv HA'ARETZ in Hebrew  
4 Apr 90 p B1

[Article by Ze'ev Shiff]

[Text] Israel needs to focus its attention on two issues with regard to the recent Iraqi security episode. The first is the matter of nuclear development in Iraq. The subject has been a familiar one for a long time, but it surfaced recently after Iraqi agents were caught attempting to smuggle in electric detonators which fit nuclear weapons produced in the United States. The second subject, which is a new development, is connected to the recent installation of Iraqi missiles relatively close to Israel.

A few weeks ago, the Iraqis moved ground-to-ground missiles close to the Jordanian border. It is not clear whether these missiles carry chemical warheads, but, in any case, Israel has reason to take this seriously. Israel discussed this with Washington and exchanged views on it.

The information came from the United States, not from Israel. Perhaps this can be interpreted to mean that Israel is reluctant, at least at this stage, to make a fuss about the moving of the missiles. Israel is not threatening Iraq or declaring anything publicly about red lines for Iraq.

And another important point. It should not be assumed that Iraq would move weapons systems close to Jordan without asking permission from King Husayn or without at least discussing its intentions with Jordan. It is hard to imagine, given the nature of the relations that have developed between the two countries, that Iraq would take such a step without prior agreement with Jordan.

According to one source, the Iraqis surprised Jordan in the past when they moved missiles through the Gulf of Aqaba and stored them in an area available to them for the Lebanese Christians. The Jordanians told the Americans at the time that they would not allow this to occur a second time. Although the establishment of the missiles is not within Jordan, it is very close to its border. It is clear that it raises Israel's eastern line, Jordan, to a new level of tension. This was one of the reasons that we brought up in HA'ARETZ the fact that King Husayn was playing with fire without being able to say then that we were talking about the new missile installation.

#### Another Threat

There is another threat here, even though those missiles could reach Israeli territory even if they were farther away. Their establishment near the Jordanian border may be seen as strange from an operational perspective. Actually, this excessive proximity in a barren region exposes the missiles as an easy target for attack from the air. The Iraqis certainly understand this. For this reason,

the transfer of the missiles must be seen as a temporary signal to Israel which is likely to change.

There is, however, also a reasonable possibility that the establishment of the missiles in that area is only the first sign of a more massive military formation. Whoever wants to establish ground-to-ground missiles in this barren region will certainly try to defend them with batteries of antiaircraft missiles. To defend these, you usually have to rely on infantry and armour, and it is reasonable to assume that the Iraqis will also put combat planes not far from there. If this occurs, it is clear that the Iraqi threat will take on a different dimension.

The Iraqi process attests to its growing military involvement beyond its borders ever since the end of the war in the Persian Gulf and the reduction of the threat from Iran. Even a country like Kuwait feels the pressure, but what is new is Baghdad turning westward. This was at first evidenced by its military involvement in Lebanon, in its arms shipments to Christians against Syria. At the same time, Syria extended its military protection over Jordan. This involves more than just taking responsibility for the security of its little Jordanian neighbor.

#### Leadership in the Arab World

Within the context of the contest within the Arab world, Baghdad is also trying to fill a military role which it has not filled in the past and that it does not see Egypt as filling because of the peace treaty it signed with Israel. It is clear that Iraq is not doing this without the approval of King Husayn, and the immediate reward which Iraq received from Jordan was in the strengthening of the scope of the aerial ultimatum served against Israel.

All of this is not enough to answer completely why Baghdad transferred ground-to-ground missiles close to Israel. There is clearly an Iraqi message for Israel in the establishment of the missiles. At the top of the list appears to be the desire to intimidate Israel.

There is in this a measure of self-defense but also a threat. For some time, the Iraqis have been talking about Israel's intentions of attacking its "development operations." After what Israel did in 1981 to their nuclear reactor, the Iraqis are concerned that Israel will not sit by quietly as they develop big plants to produce chemical weapons and renew their efforts to develop atomic weapons. Baghdad wants to warn Israel and is giving it a sign that it will respond with a missile attack.

Furthermore, the Iraqis say that in a few years, Israel will have no choice but to mount a deterrent war against the Arabs, and the first reasonable target would be Jordan. It is necessary, therefore, to frighten Israel this soon.

Official Israel is silent. It no doubt has its reasons for not trying to soothe Baghdad's fear. But even if Israel were to signal that its intentions are not aggressive, it would not change the fact that Iraq will, in the future, represent a permanent problem in Israel's national defense routine. The missile race, the production of chemical weapons

and their use as well as Iraq's efforts to develop nuclear weapons strengthen this tendency.

### PALESTINIAN AFFAIRS

#### Popular Front Allegedly Leaving Unified Command

44230130A Tel Aviv HA'ARETZ in Hebrew  
6 Apr 90 p A3

[Article by Eytan Rabin]

[Text] The coordinator of operations in the occupied territories, Shmu'el Goren, recently directed the heads of the civil administration in the territories to look into the possibility of arranging meetings with activists from the Popular Front in the territories and to strengthen ties with them. This directive was issued because of intelligence information according to which the Popular Front is about to leave the Unified Command of the uprising in the territories.

The new directive was designed to get close to the political positions of the Popular Front and to check out information that some people are about to establish a new coalition with Hamas [Islamic Resistance Movement] in the territories and with Ahmad Jibril and other organizations. In contrast to this, the ban on meeting with people identified with Hamas, considered to be an extremist organization, continues.

Rumors are spreading recently that point to the fact that the Popular Front is adopting independent stands. The fact that the Popular Front is distributing separate proclamations affirms these rumors.

In these separate proclamations, the Popular Front attacks not only Fatah but also Egypt "which signed the Camp David agreements and, in exchange, sold the treasures of the Egyptian people to U.S. imperialism."

The Popular Front supports democratic reforms in the PLO and blames Fatah for the inefficiency of the administration of the uprising and for the embezzlement of funds intended for the residents of the territories.

Proclamation 55 of Hamas, which was published last week, praises, for the first time since the beginning of the intifadah, the political stands of the Popular Front. A senior Palestinian personality in the territories reported that the Unified Command will try to isolate the Popular Front by getting closer to Hamas. Among other things, the Unified Command is considering offering Hamas financial support, representation in professional unions, and representation in the committees of Palestinian detainees in jails.

Security sources said last night to HA'ARETZ that they are closely following recent developments, and, in their estimation, the Popular Front will soon be leaving the Unified Command.

### ALGERIA

#### Growth of Support for FIS Examined

90AA0098A Paris LIBERATION  
in French 2 May 90 p 6

[Article by Lahouari Addi, lecturer at the University of Oran: "Algeria Moves Toward Religious Populism"]

[Text] The formation of a religious party in Algeria, even if of the people, does not mean a return to Islam because the people have always been profoundly Muslim. Moreover, the unrest shaking the country is not religious in origin; it is motivated by sociopolitical reasons, even if certain protagonists express them in religious terms. One has but to recall that in no instance does such unrest pit believers against nonbelievers. What is happening today is part of a continuous process (which the government was unable to control in time) rather than a break to which certain commentators are already assigning a negative value, inasmuch as it would have to do more with a shift from the socialistic ideology of the FLN [National Liberation Front] to the Islamist ideology of the Islamic Salvation Front (FIS). There is definitely a change, but it is in the form of expression rather than its content because the populist ideology remains the same. In the past, for historical reasons, it was secularized or "lay," to the degree that the term has any meaning in a Muslim society. Today, rejecting its failure, it seeks refuge in Islam and appears in religious form.

The reasons for the shift from "lay" populism to religious populism must be sought in the consummate failure of development plans implemented since independence. Institutions molded according to the single party setup permitted neither dialogue between the government and those governed nor criticism from a free press that could have helped stem economic as well as social drifting. Such drifting could only be condemned in the mosque, making religion a powerful vector of social dissent. But the dissident rhetoric of the mosque is not *political* rhetoric strictly speaking. It is *moral* rhetoric, ethical-religious rhetoric which, while drawing upon the populist exploits of the national liberation movement, renews that ideology by bringing its content up to date. This dissident rhetoric, articulated around the failure of three decades of "bureaucratic socialism," irremediably sanctioned by the riots of October 1988, is not based on a political analysis of this failure or the government's action since independence. It confines itself to attributing responsibility for it to individuals, leaders guilty of having imported ideas and models of foreign institutions for the Arab-Muslim people, and it proposes to "purify" this populism of foreign influence.

There are three reasons for the continuity of populism. First of all, the social conditions that give populism its political relevance are not yet outdated, despite 30 years of independence. Quite the contrary; since independence, the people's living conditions have leveled down to widespread poverty shared by the masses, with the exception of a tiny minority that has amassed colossal

fortunes. In addition, bipolarization of society has socially diminished the middle classes, which now rally to the discontent of the most poverty stricken. Refusing to play a stabilizing role or influence the social climate in the direction of levelheadedness, on the contrary, the middle classes now seek confrontation with the government in order to get revenge for the impoverishment they have suffered and promises never kept.

Next, the government, which has set itself up as a redistributor of often imported resources, has rightly or wrongly fueled the resentment and frustration. This has allowed the moral rhetoric, which condemns corruption and complacency, to have an impact on a population with less and less confidence in the government, particularly after the drop in oil revenue that imposed unequally shared budgetary restrictions.

Finally—and this reason goes deeper than the two previous ones—a conflict over jurisdictions has arisen between the government and religion. As soon as the process of building a government began, the emerging government tried to assume prerogatives previously granted to religion. There resulted an inevitable conflict whose stakes were the content and boundaries of sovereignty claimed by a government challenging allegiance to tradition. The emphatic claim of the *shari'ah* is a manifestation of the rejection of the state's sovereignty and its corollary, legal positivism. West Europe experienced this conflict in the past, but it pitted the nation-state against an institution, the Church, that was discredited in a significant portion of society. However, in Islamic tradition, due to the inexistence of an institution embodying religious authority, any conflict between the state and religion takes on the characteristic of a conflict between the state and society as a whole.

Recently published, the FIS program renews in spirit and its main lines the rhetoric of the National Constitution and other basic texts of the FLN with the sole difference that the reference to Islam is significant *both* of the continuation of the content of populism *and* changes in the way in which it is expressed. One finds the same deliberacy, the same verbal generosity, the same moral anchoring of political values, the same negation of conflict within the body politic, the same worship of the state, a demigurge organ embodying the people whose mission it is to organize society and to guide the destiny of individuals from birth to death. One also finds the same blind points: political freedom, individual autonomy, democracy in its modern acceptance, the actual exercise of sovereignty by the electorate, alternance in power of the leadership elites. The economic aspect of the FIS program also speaks about "industrializing industry," which must be "adapted to technological progress and capable of sustaining unbridled industrial competition in the fields of weapons as well as marketing or consumption." The FIS program is a copy of the National Constitution from which it borrows the generous intentions of guaranteeing work for all adult males, guaranteeing the right to housing and health, and providing education for all children as far as high school.

Obviously, all these propositions cannot fail to win support, but will the FIS have the means to keep its promises? Will it have a better chance of succeeding where the FLN failed, or does it expect to succeed by using more coercion in order to make the productive apparatus more profitable?

One can therefore understand why there is truly no ideological break between the FLN and the FIS, but rather, a surprising continuity confirmed by massive waves of defectors. In many ways, the FLN is the father of the FIS, the political expression of an impoverished people, a people bereft of illusions in which it would still like to believe.

The FIS rejects the failure of the FLN, which it would like to revive in another form and under new conditions. That is why the FIS is a dangerous rival for the FLN, the popular legitimacy of whose power it challenges. The convergencies between the FLN and the FIS are real, but an alliance between the two parties would be difficult to achieve because it would help the former and be a detriment to the latter.

Before October 1988, the FLN was not a political party; it was an idea, a utopian aspiration. When the utopia did not materialize or materialized only halfway with independence, it did not die; it just shifted elsewhere.

In the past, the socialist utopia justified the enlistment of society and the seizure of government. Will the same be true in the future for the Islamist utopia? Or will Algeria be doomed to stammer before history and become locked in a neo-Khalounian cycle?

## EGYPT

### Emigration Minister on Securing Jobs for Expatriates

90AA0087A Cairo AKHIR SA'AH in Arabic  
18 Apr 90 pp 8-9

[Interview with Dr. Fu'ad Iskandar, minister of emigration, by Suhayr al-Husayni: "Minister of Emigration Talks About New Opportunities for Egyptian Workers Abroad in a Candid Interview, Tells Why Ministry of Emigration Act Has Been Suspended Since 1983;" first five paragraphs are AKHIR SA'AH introduction; date and place of interview not specified]

[Excerpts] When will the new law that will regulate travel for people who are employed abroad be issued? People who wish to travel are quite worried as they wait for this law. Will it impose new restrictions on those who travel abroad? Does the Ministry of Emigration have unambiguous studies about what the labor market in the Arab region and abroad needs? Why is it that Arab countries still prefer Asian workers to Egyptian workers? What does the Ministry of Emigration do to provide for Egyptians who wish to work abroad opportunities to leave the country to work and live abroad?

How long will the talents and intellectual powers of Egyptians abroad continue going down the drain and being exploited instead of being utilized for the benefit of the mother country? How long will Egyptian communities abroad continue their infighting and their conflicts? Such things damage the reputation of Egypt and Egyptians abroad. What is the ministry's attitude toward this grave phenomenon?

And here is a very important question: Why has the Immigration Act been suspended and why has it not been enforced since it was issued in 1983? Why do other ministries refuse to allow the ministry to do what the law said it should do? To put it very briefly, when will the disengagement be achieved between the Ministry of Emigration and the ministries of foreign affairs and manpower?

AKHIR SA'AH went to Dr. Fu'ad Iskandar, minister of emigration, to find answers to these questions and to request clarification. Dr. Iskandar said, "The new law which has to do with travel outside the country for Egyptian workers will be issued soon. Its aim is to protect the rights of Egyptians abroad, not to place restrictions on them." The minister also affirmed that opportunities for Egyptians to work in the Arab region will double in the coming years. In addition, the Ministry of Emigration is starting to open doors for Egyptian workers in nontraditional markets abroad.

We started the interview with Dr. Fu'ad Iskandar, minister of emigration, by asking him about the law which will regulate travel abroad for Egyptian workers. "When will that law be issued," we asked? "Many Egyptians are quite worried as they wait for this law to be issued."

[Iskandar] As far as the law which will regulate travel abroad for Egyptian workers is concerned, a committee, chaired by Prime Minister Dr. 'Atif Sidqi, has been formed. This law was intended for countries that do not require an entry visa for Egyptians. The committee decided that no impediments shall be placed in front of such Egyptians whose travel is to be regulated in a manner that does not violate the constitution. Everything which is being done is being done to regulate this process. For example, the law stipulated that an Egyptian who travels to one of the countries which do not require Egyptians to have an entry visa must have a round trip ticket. This is for his own protection abroad, first of all. If things do not go well for that person, he can return directly to his home country without exposing himself to hardship or humiliation. This is the underlying principle for the law. However, the committee does not yet have the final version of the law.

I heard many statements which are being made about the fact that the state is leaning toward placing restrictions on Egyptians who wish to travel to work abroad. This is not true. Everyone must know that our journey for freedom is now underway and that we will not be turning back. There will be no restrictions on those who travel. President Mubarak has been putting emphasis on

democracy since he came to power. That is why this law will be issued to regulate this matter. At any rate, the committee which Dr. 'Atif Sidqi is chairing will soon make its final decisions on this matter, and those decisions will be announced to everybody.

#### New Markets for Egyptian Workers

[al-Husayni] Does the Ministry of Emigration have accurate statistics about the number of Egyptians abroad?

[Iskandar] We are trying to do our best to determine the number of Egyptians living abroad. There are about 4.5 million Egyptian citizens abroad.

[al-Husayni] Is this large figure quite accurate? The figures we hear are quite different from that one.

[Iskandar] This is an approximate, not a precise figure. But there is a plan to use the computer to count precisely how many Egyptians are abroad. In addition, the ministry conducts periodic studies to determine the number of Egyptians abroad. Such studies enabled me, for example, more than one year ago to affirm that the number of Egyptian workers abroad will not decline. The passage of time proved that what I said then was true, even though many people had criticized that remark when I made it. These studies also affirmed, when the Egyptian workers' crisis in Iraq was at its peak, that Iraq will continue to be a significant market for Egyptian workers during the coming years, that Africa is a significant market for Egyptian workers, and that it will continue to be a significant market in the coming years. [passage omitted]

[al-Husayni] Does the Ministry of Emigration have an unambiguous study about the labor market and the temporary or permanent workers which the various countries need?

[Iskandar] We certainly have a good idea about the Arab and the foreign labor market. I do not do this by myself; I get help from the ambassadors of the different countries in Egypt. That is why we are always in touch with each other. And yet, I am still not satisfied with this effort because the results we produced could have been more positive. My most recent visit to the new American consulate in Egypt was made to solve the problems of Egyptians who face major difficulties and complications to get entry visas to the United States. We thank God that we were able to solve this problem by talking directly with the consul.

If you will allow me, I would like to make an important point clear to Egyptians who wish to emigrate from Egypt. This is something they must know: present opportunities for Egyptians to get out of Egypt are very few regardless of our efforts. Today, the United States accepts no more than 2,500 citizens each year. Canada accepts 2,000, and Australia, approximately 1,500. The total number of Egyptian citizens who can emigrate to these countries is not more than 6,000 each year, and that figure is a drop in the bucket when we consider that

the state has to provide 450,000 employment opportunities for young people every year.

#### The Future Is in Africa

[al-Husayni] In your opinion, what is the alternative when the door to emigration has become almost closed?

[Iskandar] The alternative in my opinion is the African continent where millions of workers will be required for at least the next 50 years.

[al-Husayni] But the African continent is still poor and unable to offer lucrative rewards to those who will emigrate to Africa or work there.

[Iskandar] That is why I'm saying that we cannot talk about labor and employment opportunities without mentioning the remaining sides of that triangle, namely, material and financial resources. That is why—and I am declaring this for the first time—Egypt will participate in projects which will hire groups of workers. That is, Egypt will sign specific contracts to get integrated projects which it can carry out by using Egyptian workers.

[al-Husayni] Is Africa the only place where these integrated projects which Egypt will sign up for are located?

[Iskandar] No, they are in different locations in Africa, in the Arab world, and elsewhere. Egyptian workers are known to be good workers, and they are in demand all over the world.

[al-Husayni] How then do you explain the proliferation of Asian workers, especially workers from the Philippines and Korea, in the Arab region despite the fact that unemployment is widespread in many Arab countries, especially in Egypt?

[Iskandar] Asian workers will not last long in the Arab world, and I said that more than one year ago. The drawbacks of hiring these workers will compel officials in some Arab countries to put policies in place that will make it possible for Arab workers to be hired instead of these Asian workers. For this reason employment of Arab workers in general and Egyptian workers in particular will be expanded in the next stage.

[al-Husayni] What are your reasons for having such expectations?

[Iskandar] The security and safety factor is not the only factor I will address, but I will also talk about the fact that when an Egyptian worker works in an Arab country, he does not just perform a mere clerical or technical task, but he also builds a civilization. It may be easy for workers from anywhere to build streets and power stations, but building a civilization requires workers of a certain kind, and these workers are more often Egyptian workers.

#### Putting Rare Egyptian Expertise to Good Use

[al-Husayni] Your excellency, why did Egypt waver when Libya declared its wishes to grant Libyan citizenship to 1 million Egyptians?

[Iskandar] We did not object at all. But why would 1 million Egyptians look for another nationality all at once? We know that many people seek Egyptian citizenship and would like to become Egyptian citizens. Be that as it may, Egyptian citizens are Egyptians and their loyalty to the new country will not conflict with their loyalty to Egypt, especially if they stay in touch with their mother country.

[al-Husayni] It is known that Egypt has a fortune in the number of Egyptians abroad who are engineers, physicians, and scientists. The question is this: when will this fortune be put to good use instead of letting it go down the drain as is the case now?

[Iskandar] We have actually started dealing on a broad scale with those Egyptian experts abroad. I thought of this project so that instead of letting those rare minds and experiences go down the drain, we could benefit from them in a manner that would be advantageous to Egypt. We are trying to accomplish this with the resources which are available to us.

[al-Husayni] How are you trying to do that?

[Iskandar] When resources were made available to them, those people who left Egypt achieved major success. Let us be realistic. Could Egypt have given those scientists such possibilities for success? The answer is no because we do not have the ability to do so. Also, is it in Egypt's interests that those scientists return from abroad? The answer to that question too is no because we cannot provide them with those resources which would enable us to take advantage of their research and their inventions.

And yet, given the resources which are available to us, we are doing our best to take advantage of these rare minds. When I found out that the medical office in the armed forces was setting up a program for major Egyptian physicians working abroad to visit Egypt, I started working with people in that office, and we started putting this experiment into action. Thus, those physicians started coming to a few private and public hospitals as well as to medical societies and medical colleges. When those physicians come to Egypt, I meet with them and I invite them for lunch, for example, so I can establish continuing relations with them. It was through such meetings that we got the idea for something which should have been carried out last July. Because of technical obstacles, however, it was postponed till next year.

[al-Husayni] What is this idea, and what are the obstacles which caused its postponement till next year?

[Iskandar] I agreed with those scientists that we would hold a general conference for Egyptian physicians who

practice all areas of medicine abroad. I agreed that their families would be invited and that we would have a special program for their children and their wives so that ties can be established between the new generation and the mother country. We would bring this national group together so that we can take advantage of their high medical expertise in Egypt. When we started carrying out this plan, however, we found out that we had to make our contacts and send the invitations to those physicians 1 whole year in advance. That is why the plan was postponed till next year.

[al-Husayni] Is this national plan for physicians only, or will it be universally applied after that to people in all disciplines?

[Iskandar] We will apply this plan to physicians first. Afterwards, similar national conferences will be held for engineers, university professors, and then businessmen. Conferences will also be held for technicians and for Egyptian workers in general. Our approach is to hold such conferences for each professional group so that there can be some kind of homogeneity and common understanding within the group. In this manner and through dialogue with those people we can achieve the ideal method which we, within the borders of the mother country, can use to do business with those who live and work beyond the borders. [passage omitted]

**Minister of Interior With Egyptian Community Says, 'There Are Few Radicals, but There Is No Sectarian Civil Strife'**

Major General Muhammad 'Abd-al-Halim Musa, the minister of interior, went out of his way to meet with members of the Egyptian community in the British capital when he was attending a conference there. His aim was to clarify the security situation to Egyptians there. At the meeting which was called by Dr. Muhammad Shakir, our ambassador in London, the most important statement made by the minister may have been his statement that there was no civil strife in Egypt but that there were few Muslim as well as Christian radicals. They were the main cause of the incidents which occurred in al-Minya. The minister affirmed that security forces managed to get the situation under control in Abu-Qirgas in a matter of four days and that normal, quiet life had been restored to the city. Major General Muhammad 'Abd-al-Halim Musa mentioned that there may be no more than 2,000 or 3,000 Egyptians in Egypt who are radical. He said there were no more than 720 detainees and that 290 of them, whose involvement in dangerous activities was not proven, were released. The minister indicated that using security measures to remedy this phenomenon should be the last resort. The minister also said that coordination of efforts between various social, athletic, media, and religious organizations was underway to put an end to this phenomenon.

**Lack of Domestic Investment Banks Discussed**

904A0093A *Cairo UKTUBAR in Arabic*  
15 Apr 90 pp 30-32

[Article by Muhammad Najm: "Egyptian Banks—Where Are They When It Comes to Financing and Investment Operations?"]

[Text] While it is true that the solution to the economic problem lies in increasing production, increasing production means new investments. Investments need financing, and the banks have the financing.

But the banks are not doing the financing, because they fear risk and prefer safety, not to mention the instructions and directives of the Central Bank.

What are the banks doing with the huge savings deposits that have accumulated in their hands recently because of the increase in the interest rate on savings? Will they be content to store this money in their iron vaults, or will they use it to support and finance development plan investments?

Do we need a new Tal'at Harb? Not satisfied with establishing the Bank of Egypt in 1920, this extraordinary economist established and founded many projects, companies, and industries which still constitute fundamental pillars of the national economy.

When will the banks play their expected role? UKTUBAR raised aspects of the problem with a number of Egyptian experts on finance and economy. What was their view?

**Reasons for the Lack**

First, Dr. Wajih Shindi, former minister of investment and economic cooperation, explains why banks did not perform their role in the investment field in previous years:

"Although banks by definition are establishments specializing in trading and investing money, we found that some banks, particularly in Belgium, turned to encouraging investment and shareholding in new projects. The phenomenon spread to the remaining countries of Europe, particularly Germany and the United Kingdom, until we came to have what are called 'business banks' and 'specialized banks.'

"The Bank of Egypt [participated] in establishing a series of companies that had an obvious effect on economic life. This role should have deepened, especially under the economic open door policy that began in the mid-seventies. This, however, did not occur sufficiently for a number of reasons, the most important of which were:

"Most banks established under the open door policy moved toward maximizing the return on capital—toward realizing the highest rate of profit. It was therefore natural for them to be interested in credit activity—

customer loans and financing foreign trade activity—since such activities realize a rapid high return in a relatively short time.

"Also, banks that entered the area of contributing capital to companies did not realize all their goals of obtaining a suitable return on these contributions within a reasonable period of time (three to five years). This was because of weak studies, delayed implementation, lack of concern about marketing aspects, and finally the rise in the exchange rate of the American dollar against the Egyptian pound from 85 to 135, 230, and finally 260 piasters. They therefore suffered losses, instead of realizing profits. The banks were forced to pump new money into these projects, instead of obtaining returns on the invested capital.

"Moreover, the banks retained their shares in successful projects in order to realize a return that would compensate for their loss in other projects. Thus, there was no real public bidding for the shares of bank contributions to successful projects, so as to circulate the bank-owned portfolio of securities of successful projects.

"Furthermore, the Bank of Egypt and the banking law imposed a series of rules regulating the banking system's participation in investments generally. Section 29 of the banking law prohibited commercial banks from owning shares in a joint stock company exceeding 25 percent of the company's paid capital. It also provided that the nominal value of bank-owned shares in a joint stock company should not exceed the amount of the [bank's] paid capital and reserves."

#### Stimulating the Stock Market

By way of comparison, Professor Isma'il Hasan, board chairman of Egypt-America International Bank, states that the Bank of Egypt did not limit itself merely to founding companies and offering some of the shares in their capital to the public for subscription. The bank's other role involved following the activity of the companies it was founding and following the movement of trading in their shares. The bank would consequently either offer some of its subscribed shares for sale on the stock market to anyone wishing to buy them, or it would undertake to purchase some of the shares offered for sale on the stock market.

He adds that when the open door economic policy began in Egypt, the investment law introduced a new category of banks in Egypt—investment and business banks. The goal was to work to broaden the base for establishing companies and projects, as takes place in various countries, and like the role that the Bank of Egypt used to play.

The public sector commercial banks and a number of investment banks did indeed found and establish many joint stock companies in various fields in cooperation with other Egyptian or nonEgyptian contributors.

But whatever the banks subscribed to, the capital of these companies and projects remained held in the banks' own securities portfolios. The banks did not work to put these portfolios into circulation or move them by selling part of them on the stock market. Thus, they may have played their part in the primary securities market involved in founding companies, without playing their part in the secondary securities market—the circulation market.

The banks should strive to stimulate the stock market, because the return from this activity affects the investment market generally, and this directly affects the process of economic growth. If the cycle is complete, we shall be able to emerge from the bottleneck through which we are now passing. Without stimulation of the stock market, we shall find no one interested in contributing to the establishment of the companies and projects we need; for savers are primarily interested in the existence of an active and efficient market that allows the conversion of their contributions into liquidity when they need it in the future.

The banks ought to pay great attention to this role, because:

First, it will create flexibility and equivalency for the banks' investments in the companies they have founded. Their prices will be known from moment to moment, as well as their potential for conversion into liquidity when necessary.

Second, stock market activity has a positive effect on the banking activities in which the banks engage. The relation between the capital and money markets in short-term operations is organic and direct.

Besides, if the banks sell part of their shares, it will provide them with resources that can be pumped back into the investment market through the establishment of new, bank-founded companies. The banks would call on citizens to subscribe part of the capital of these companies. Thus, the number of projects and companies would increase, representing an increase in the amount of the national product and a desired increase in job opportunities.

#### Banks' Ability To Bear Risk

Dr. Hazim al-Bablawi, chairman of the board of Export Development Bank, believes that a number of points must be taken into consideration when speaking about the role of banks in mobilizing savings and using them to fund economic activity. These points include the following:

Banks are not the only institutions responsible for savings and investments, nor should they be. Although the role of banks is fundamental in this area, they are not a replacement for other institutions. There must be a strong stock market in which shares, bonds, and all kinds of financial and commercial securities are traded. A system in which banks do not perform their financing

role is an inadequate and defective one, but a system in which only banks perform this role is also an inadequate one.

Furthermore, "bank" is a term for a varied group of commercial, investment, business, specialized, and development institutions, each with a different role according to its nature.

What is true at one stage is not necessarily true at another. What was required at the stage of beginning industrialization is not necessarily required now.

Banks do indeed engage in funding projects. There are two kinds [of funding]: current and capital. Must they also add partnership to this?

The issue of bank partnerships ought to be examined very carefully, because partnership means bearing risks and sharing in management.

To the extent that banks can bear the risk, there is no harm in partnership, because it helps increase the number of projects. Also, to the extent that appropriate personnel are available to represent [the banks] in the administration, partnership is beneficial. However, if the partnership method replaces the organizers, or if those who represent [the banks] in the administration are the least that can be obtained from the market, overdoing partnership becomes a dangerous process.

Tal'at Harb's experience took place at the beginning of industrialization in Egypt, when domestic capital first began to be interested in entering domestic industry and needed large institutions to help it choose the most successful areas and attract the best personnel available in the market for administration.

If these conditions—the experience of Tal'at Harb—change, partnership becomes fraught with reservations. Why? Because there is now a danger that the banks' burden of management will be so great as to make bank supervision of the companies less effective.

There is also a danger that when a bank operates as lender and owner of a company in which it holds shares, it will be lenient regarding terms of credit and loans. Some countries therefore prohibit banks from becoming partners, in order to insulate credit decisions from the influence of ownership.

Furthermore, a large increase in bank ownership of projects might make banks a monopoly power.

#### Where Are Investment and Business Banks?

If the preceding reasons—a preference for safety, the avoidance of risk, and the existence of a maximum credit limit—have affected the commercial banks' full assumption of their role in financing investment operations, where are the investment and business banks? The latter enjoy an advantage not enjoyed by commercial banks, namely, not being subject to restrictions on credit expansion.

Dr. Wajih Shindi says, "It is true that investment and business banks are not subject to the restrictions imposed on commercial banks, especially in the area of contributing to joint stock companies, for the rules enforced by the Central Bank provide that [commercial] bank credits or capital holdings in companies may not exceed 60 percent of their total deposits at any date. But there is also the high interest rate—amounting to 18 percent—on loans.

"We therefore find that there is a degree of reluctance to establish new investment projects, since this requires going in with paid capital amounting to half the value of investments in the project, while for the other half one must rely on borrowing from the banking system."

However, Professor Isma'il Hasan believes that if one follows the figures and budgets of investment and business banks operating in Egypt, one sees that they [do] in fact what the commercial banks do, despite their being in a different category. Whatever excuses and difficulties the investment and business banks allege prevent them from playing the role for which they were allowed to be established, it remains the case that they are not performing this role. They, together with the responsible agencies, ought to remove the obstacles, so that they can fully perform this role—that of founding companies and projects.

We have started to see a number of investment and business banks obtain part of their resources from other banks and expand in short-term credit, when they should have been attracting long-term deposits and resources domestically and from abroad, directing them toward establishing projects or lending them for long terms, and forming their investment portfolios to participate in the process of economic development.

#### Fear, Safety, and the Housing Crisis

As a striking example of how banks hesitate, seek safety, and avoid risk, the economist al-Wasif 'Id cites their inadequate role in contributing to a solution of the housing problem, despite the fact that this role is of the highest importance and of assured economic return.

He says that public and government-sector companies owe private-sector contractors about 1 billion pounds. This is because whenever private-sector contractors who implement the projects of these companies—these contractors account for 80 percent of implemented projects—present their payment demands for work done according to terms and specifications, they are confronted with payment of 25 percent (40 percent at best) of the amount of the payment demand. They must nevertheless continue their operations and finish them by the date set in the contracts; otherwise they become subject to fines and penalties for lateness.

The leaders of credit operations in the banks should therefore intervene and, since they have all the resources to do so, they should pay the value of these payment demands. They should guarantee government companies

and act on their behalf. This would undoubtedly lead to the continuation of work in the construction sector.

What happens is that, faced with nonpayment by the companies of what he is owed for completed work, the contractor borrows from the bank at interest rates up to 19 percent and for a maximum of 30 percent of the value of the completed work. At the same time, the law specifies that his profits may not exceed 20 percent. In such cases, the contractor can either stop work or violate building specifications in order to make a profit.

Instead of playing the role it was originally supposed to play—participating in implementing projects in order to help the founder or the agency to which implementation has been entrusted, along with obtaining all guarantees—the bank turns at the first sign of foundering to seizing all these guarantees and selling them at public auction in order to obtain what it had previously lent to the customer. The result in such cases is well known.

#### Legislative Restrictions and Directives

Counselor Ahmad Hassan, secretary general of Faysal Islamic Bank, says, "We must not be unfair to the banks. They are operating under rules, laws, and directives that they are not allowed to violate. From the point of view of the monetary authorities, these directives represent both a margin of safety and guidance for credit."

"But in the face of economic necessities requiring the establishment of productive projects, these directives and rules should be reexamined, so as to encourage banks to start projects."

He suggests reexamining the share commercial banks may contribute to the capital of companies. While this percentage was fixed to safeguard the banks, it could be reexamined [word illegible] in relation to the total of deposits for a term exceeding two years. This is because the public is unenthusiastic about subscribing to joint stock companies. The banks are therefore forced to come in with greater shares than were estimated. While it is true that the economy minister can decide to grant an exemption to this percentage, this is usually a sword drawn against the banks.

He also suggests the need to put into operation the functions of subscription agents as explained in the joint stock companies law, so that the banks will have what is granted to them in this activity—not being restricted by the current percentages indicated above. There should also be a reexamination of the legislative provision limiting the subscription backing operation to companies that offer their shares to public subscription. Banks would then be free to give backing initially, and then sell again after the project is founded and the public gains confidence in it.

#### Increased Interest Rates on Deposits and Loans

How do higher interest rates on savings and on loans affect investment operations?

Consulting engineer Husayn Sabur, head of the American Business Council, says, "The increase in the interest rate caused great disagreement among bankers and economists in Egypt. Defenders of the increase think it was necessary so that savings could be absorbed, instead of being spent. Moreover, it has the effect of lowering inflation and stabilizing prices. Opponents think the increased interest rate will be a burden on the establishment of new projects that need to borrow. It will affect their profitability. As a result, it may become unfeasible to establish them."

"In my opinion, the increase in the interest rate is necessary, especially with the continued decline in the value of the Egyptian pound against other currencies. But at the same time, the increase must not be so great as to constitute a barrier to the establishment of new projects or the expansion of existing ones."

Engineer Husayn Sabur believes that it is a matter of fairness for people who make deposits in Egyptian pounds to receive interest equal to the inflation rate, so that the purchasing power of their savings does not decrease:

"Some people think this will lead us to a high interest rate on savings, followed by a high interest rate on loans, thus hindering investment. However, I say that the investor must put adequate capital into the project before he borrows. Consequently, if the high interest rate applies only to the part borrowed, it will not have as much of an effect on the total value of the investment—i.e., on the capital plus the borrowed part."

"Then too, there are many opportunities for successful projects in Egypt: tourism, agriculture, industry, building, etc. These are projects of guaranteed success, given the Egyptian people's desire to satisfy their needs for these projects, and given Egypt's location in a low-production geographical area accustomed to importing. However, the problem lies in the many obstacles to investment in Egypt. These include the large number of regulations and their retroactive application with a consequent effect upon the investment climate."

#### Interest and Directing Investment

Dr. Wajih Shindi says, "Every policy should have a definite goal. Although the increase in interest rates has led to an increase in the amount of deposits in some banks, this increase has not been reflected in a corresponding increase in the amount of investment. This is because of the continued restriction regarding credit ceilings."

"Also, we should not have applied the new increase in loan interest rates to credit facilities already granted to investment projects or to their renewals. Also, there should have been a clear differential in interest rates between commercial and investment activity."

However, in the opinion of Counselor Ahmad Hassan, the interest rates published in the Egyptian Central

Bank's directives defining rates that vary according to activity are an important economic tool in directing economic activity in the country. Investors turn to the lower-rate activities that society needs, and the demand for high-interest loans decreases. This occurs because of considerations that the monetary authorities take into account. For example, interest rates on industrial loans are always much lower than those on commercial loans, because there are many dangers in the former, while the latter are quick in turnover.

Professor Isma'il Hasan says that attracting more savings is a strong goal that ought to be pursued. Incentives, embodied in higher interest rates, ought to be offered to savers, so that the amount of consumer spending can be affected.

Savings deposits that have accumulated in the banks ought to be recirculated by providing the necessary financing for various projects, either short-term for current operating purposes or long-term. While one can debate the extent to which it is possible to offer credit facilities at a higher interest rate than the interest rate on deposits, or the result of such a rise in the interest rate on deposits on bank profits, I say that the banks are the bodies entrusted with responsibility for implementing credit and monetary policy. They should do what serves the goals of development. The effects of these policies on bank profits should not outweigh this, for the general benefit transcends the effect on profits.

Nevertheless, there is room to use the increase that occurs in bank savings deposits due to the rise in interest rates. Some of the savings should be directed toward founding and establishing new companies or acquiring the securities of existing companies. This goes beyond the limits approved by the Central Bank for credit ceilings. However, the credit ceiling limits do not apply to investment and business banks by their very nature.

#### Experience of German Banks

Now that we have explained why the banks have been slow to perform their role in the investment area fully and how increased interest rates on deposits and loans have affected this role, what is needed if the banks are to perform their expected role in supporting investment projects?

Professor Ahmad 'Abd-al-Latif, general director of the banking market at the Bank of Egypt says, "If the banks are being asked to play an effective role in developing the national economy—and they must indeed play such a role—the current credit ceiling must be moved, and the percentages set for the banks must be reexamined from time to time in light of general requirements, so that banks can move freely in this area."

"However, the banks must first make economic feasibility studies on a sound basis. They must chose the best personnel to manage projects and must take an interest in marketing their products."

Ahmad 'Abd-al-Latif adds that the German economy relied fundamentally on the banks to build it up. Banks there found companies and factories and offered shares in them to the public. The public buys these shares, as if making a deposit in the bank. The deposits, however, are from the beginning earmarked for the purchase of shares. At the end of the year, their profits are distributed to the depositors who own them.

As everyone knows, the interest rate in German banks generally does not exceed five percent, while the return may reach 15 to 20 percent. Naturally, this could be applied in Egypt. The bank can establish a company, contribute a share equal to 25 percent of its capital as a founder, and offer the remaining shares for general subscription—i.e., to the public.

#### IRAQ

#### Engineers Aid Iraq in Manufacture of Missile

##### Piranha-Type Missile Technology

90WP0090A Sao Paulo VEJA in Portuguese  
16 May 90 p 53

[Text] This past Sunday the 13th, three Brazilian engineers had reserved seats on a flight to Baghdad, Iraq. Their purpose: to round out the task force working in a secret project involving construction of a missile that will equip the Iraqi Air Force with technology from the Brazilian Government. In Baghdad, a group of scientists is trying to produce a version of the Piranha missile, which was originally supposed to be carried on the Brazilian Air Force's AMX fighter planes but never got past the prototype stage. The first 23 engineers—all of whom formerly worked for the Orbita rocket firm in Sao Paulo or the CTA [Aerospace Technology Center]—were hired by the HOP [expansion unknown], a firm owned by one of the country's best known researchers, Air Force General Hugo Piva, former director of the CTA, and arrived in Baghdad last November. There they earn about \$6,500 per month, live with their families in a guarded apartment hotel in the center of town, and work at a military installation on the outskirts.

In Brazil, the Ministry of Aeronautics stopped financing and then stopped buying Piranha missiles for good at the end of 1988, when the equipment was ready to enter the assembly line. In March of last year, Gen. Piva, who by then was in the reserves, approached then Minister of Aeronautics Octavio Moreira Lima with a plan for exporting the Piranha team to Iraq. The Baghdad government was prepared to pay the Brazilian Government \$10 million for the computer programs (software) developed by the CTA along with all the designs and plans for the missile. According to Piva, Moreira Lima liked the idea and gave him the "green light" to proceed with the plan provided that it was done through a private contract and did not involve the government. Moreira Lima denies it. "That is an invention by Piva," says the former minister. "The government knew about the negotiations,

but never participated in them." The fact is that so far, the Iraqi Government has been unable to close the deal for purchasing the software, and the team is now trying to do the whole thing over in Baghdad.

Atomic bomb—"We could not let a team of scientists of that caliber become scattered with nothing to do," says Gen. Piva. "In two or three years, they will return to Brazil to build an even more advanced missile." The design of the Piranha, which has a range of five km and carries 12 kg of explosives, was copied after that of the best selling missile in the world, the U.S. Sidewinder. The Iraqi version of the Piranha is supposed to be able to pursue enemy fighter aircraft by homing in on the heat from their turbines and also to deceive devices designed to detect missiles of its type. The government spent over \$50 million to design the Piranha and would have spent another \$70 million to mount it on the AMX fighters. In Moreira Lima's opinion, it would be cheaper to buy dozens of Sidewinders or French Exocets at \$100,000 each.

The Piranha might give Iraq, which is in permanent conflict with its Middle Eastern neighbors, its chance to produce a reasonably modern missile. President Saddam Husayn's government, which is having difficulty buying sophisticated weapons from the West and was recently caught trying to smuggle nuclear detonators through the London airport, has been using pirate firms to hire hundreds of foreign scientists to set up its own arms industry. And it makes no secret of the fact that its ultimate goal is to build an atomic bomb. Husayn went on Iraqi TV last week to announce that he had finally obtained his detonator secretly by smuggling it from the United States and that using it as a sample, his technicians had made a few more like it.

It does no good to have atomic bombs unless one also has missiles capable of carrying them long distances—and the Piranha is no good for that purpose. It happens that the Brazilian team now in Baghdad is essentially the same one that developed the Brazilian Air Force's project for a "Big Piranha" capable of delivering a nuclear warhead to a distance of 1,000 km, a project that resulted in Piva's coming to be nicknamed the "Brazilian Von Braun"—a reference to the scientist who designed rockets for Hitler and then became the father of the U.S. space program. But that project never got off the drawing board. It is suspected that another Brazilian team in Baghdad recently improved a Soviet medium-range missile for Husayn—and that the new version is large and powerful enough to carry a nuclear warhead. The Brazilian Ministry of Aeronautics has no restrictions that would keep Brazilians from engaging in technological research abroad, but if it discovers that the missile being produced for Iraq is indeed the Piranha, it will consider prosecution on a charge of stealing technology.

### Investigation Under Way

90WP0090B Rio de Janeiro *O GLOBO* in Portuguese  
16 May 90 p 3

[Text] Sao Jose dos Campos, Sao Paulo—The minister of aeronautics, Air Force General Socrates Monteiro, took personal charge yesterday of all information and all measures relating to the investigation of the the sale of services to Iraq by a team of engineers specializing in the design and development of missiles. The minister telephoned all the member of the ministry's High Command and told them that from that point on, only he would be authorized to make statements on the subject.

In all the FAB [Brazilian Air Force] circles contacted yesterday, the prevailing opinion was that the sale of those services would result in the transfer of sensitive technology and of information classified as secret and that the deal was situated in a "gray zone." That interpretation indicates the difficulty of proving any possible leaks to Iraq of designs and software for the Piranha air-to-air missile. It also indicates the difficulty of interpreting the matter from the legal standpoint, although the implications with respect to the security of military intelligence are obvious.

Some military men said that Gen. Hugo Piva, who owns the consulting firm that sold services to Iraq, might have been resentful of the fact that the FAB abandoned the missile.

### Additional Suspected Involvement

90WP0090C Rio de Janeiro *O GLOBO* in Portuguese  
17 May 90 p 7

[Text] Sao Paulo—Major General Hugo de Oliveira Piva of the Air Force Reserve and his HOP [expansion unknown] consulting firm are not alone in being suspected of transferring technology for the manufacture of missiles to the arms industry in Iraq. For the past year, employees of Embraer [Brazilian Aeronautics Company] and Orbita Aerospace Systems have been providing the Baghdad government with services in the areas of aerodynamics, structural and flight testing, trajectory control, on-board electronics, and propellants.

A group of experts from Embraer went to Baghdad a week ago to continue development of a missile guided by sensors that detect infrared radiation—waves of heat emitted by aircraft turbines. That missile will be similar to the Piranha developed by the Aerospace Technology Center. They are also there to improve the performance of the Soviet Scud missiles used by Iraq. Those engineers joined others from Orbita who had arrived in the country in mid-February with Gen. Piva at their head.

According to information from military sources, the Brazilian group working for the Iraqi military industry numbers far more than the 26 engineers hired by Gen. Piva. Executives at the firms connected with those deals could give no explanation of the matter. At Orbita, Deputy Chairman Vito Di Grassi had left word that he

would not talk to the press. The head of Embraer and Orbita, Ozilio Carlos da Silva, spent the day in meetings and did not give out any information.

## ISRAEL

### Secrecy Imputed to Government Bodies, Actions

44230126E Tel Aviv HA'ARETZ  
in Hebrew 6 Apr 90 p B5

[Article by 'Aluf Ben]

[Text] Travelers on the highway from Beyt-'Oved to Nes-Tziona know it well. That's where it resides, hidden by a high wall and guards of serious mien: the Institute for Biological Research in Israel. Not much is known of the activity of the Biological Institute, that was founded in 1952 on the edge of the old moshav.

The government annual report lists the Institute for Biological Research among the bodies subordinate to the prime minister's office, like the government press office and the Atomic Energy Commission. Until 1975 the budget for the Biological Institute appeared in the budget law under the prime minister's office, in the paragraph of the National Council for Research and Development. That year the government invested 13 million Israeli pounds in the Institute for wages, four million Israeli pounds in research and three million Israeli pounds in administration, which amounted at that time to a total of \$3 and three and 1/2 million. Most of that sum was paid from the budgets of other government offices, the names of which were not cited.

A year later the Biological Institute was stricken from the budget books and has not appeared in them since—neither in the prime minister's office, nor in the Science and Technology Ministry (to which the National Council for Research and Development was transferred). It disappeared and is gone. It is not known who decided to erase a large government research institution employing hundreds of workers from the national budget.

Hiding the budget of the institute is contrary to a basic law: the government administration, which demands that the state budget proposal be detailed and only excepts from that requirement the Defense Ministry budget, which is transferred to a parliamentary subcommittee. Even the budget of the Atomic Energy Commission appears in the open budget. But who oversees the budget of the Biological Institute? "We have a government budget," says 'Amos Shiq of the Biological Institute, "we just don't know where it is published."

A search for institutions like the Biological Institute, atomic reactors and government bodies in government publications is like looking for dirty words in the Even-Shoshan dictionary. The one who does the search knows that the odds are against him and that he will turn up nothing, but he can't overcome the urge: Maybe it's there, nonetheless? A glance at the official government

publications reveals that the disappearance of the Biological Institute was not unusual, but just another case in a whole series of incidents in which the publication of data about government bodies and their activities was suddenly stopped. Information published openly over the years has been censored anonymously and disappeared. This is not a question just of information about defense bodies, but also about civil economic information such as a list of government obligations.

The Israeli Government is not required to furnish its citizens almost any information about its activities or to publish what little data the law obliges it to publish, such as the amount of currency in circulation, the balance sheet of Bank HaDo'ar, or the report of state income and expenditures. Government activities are its own business and it is not required to divulge its details to anyone. Even Knesset committees have no authority to force government ministers or civil servants to provide them information.

The High Court of Justice has ruled in the past that government information is government property, and that the government may act as it sees fit. This notion was reconfirmed a few months ago in the case of an appeal filed by the writer of these lines and the newspaper HA'IR against the minister of justice. According to the wiretap law, every three months the justice minister is to collect data on the extent of wiretaps performed for security or criminal reasons. Minister Dan Meridor refused to hand over the data for publication, without providing any justification. The High Court of Justice rejected the appeal and ruled that the appellants had not proved they had any right to the information, and the justice minister can deal with it as he wishes.

It is commonly assumed that over the years of the country's existence the veil of government secrecy has been lifting, and that the secrecy of the days of the Hagana has given way toward a more open approach. The usual evidence for that is the behavior of the military censor toward the media and the permission to publish information that was previously verboten. But the military censor is a kind of service office for the press. Its policy depends on the appeals of the reporters: If they don't desire or press for publication, the information will remain sealed and unknown. The censorship office and its delegated officials will initiate, if at all, only prohibitions and restrictions on publication, like the blackout imposed recently on data about immigration from the Soviet Union. The initiative to publish comes only from the censored media.

That is not the case with official publications. A survey of them shows what the government really thinks about the public's right to know and what it is prepared to release of its own good will. Unlike the censor for the press and the media, which is a recognized government body whose status is established by law, there is no authorized body whose function is to sanitize the information in government publications. The determination

as to what is allowed and what is not often comes under the purview of arbitrary decisions on the part of officials and local initiatives.

The majority of the public is also not aware of government publications, which are distributed only to politicians, reporters, and research libraries. The government annual report, the report from the Government Corporations Authority, or the country's fiscal balance sheet are known only to a handful of interested persons, and even they do not always take the trouble to study the fine print.

The same year that the Institute for Biological Research was removed from the government budget, a change also took place in the annual report of the Civil Service Authority. Every year the Civil Service publishes a small booklet about its activities, including statistics about government workers, with such data as the number of workers, their seniority, and a breakdown by profession. Employees of the IDF [Israel Defense Forces], the secret services, and defense research institutions were never included in the report.

With regard to the Defense Ministry there is disagreement as to whether it should be considered a defense institution or just another government ministry. The debate is unresolved: The ministry's workers want recognition as a defense body in order to improve their salary. The Civil Service Authority tended to see the ministry, whose workers are civilians and whose work is clerical and administrative, as just another government ministry. In the Authority's report, it appeared alongside the other ministries. According to the report, in 1975 2,252 people worked in the Defense Ministry, 671 of them women. Most of the workers were in one job category with the remainder being 161 engineers, 19 lawyers, four reporters, and one pharmacist. Forty-five of the workers were past retirement age.

In 1976 the data were removed from the report and the Defense Ministry was eliminated from the list of government ministries. The number of its employees and their job classification suddenly became classified information. The Civil Service Authority reported that the Defense Ministry had appealed to them that year to remove the ministry from the report "for security reasons." No justification was given, nor did the authority ask for any. Thus, certainly, the age of Defense Ministry employees was removed from the scrutiny of Arab intelligence, but the cover of secrecy has also reduced oversight of the activities of the ministry, which are conducted behind closed doors.

The Treasury Ministry became envious of its colleagues in the Tel Aviv municipal building and, two years ago, changed its publication policy by hiding important data about the involvement of government and economic activity in the administration. The information was even hidden from the state controller.

By law, the Treasury is required once a year to publish the balance sheet of the country's rights and obligations.

State guarantees play an important part in the balance sheet. They serve as a lever for investments in many branches of the economy and are very popular at the Treasury since they are not bound by the budget law. In past years, and especially during the recession of the 1960's, many firms that had enjoyed government guarantees collapsed, and the Treasury paid their debts. The state controller requested increased oversight of the granting of guarantees, which came to 1.7 billion shekels in 1988.

In the state balance sheet a detailed account of the government's guarantees was published, listing for each, the receiving body and the amount. Alongside companies like Tzim and El-'Al, which received huge guarantees for the purchase of ships and planes, there were also a lot of smaller plants and hotels. The publication of the list facilitated a check of who got how much, what the party affiliation of the plant owners was or who got into trouble so that his guarantee had to be activated.

In 1985 the list of guarantees disappeared from the balance sheet, and in its place appeared a general table that broke down the guarantees by area: transportation and communication, agriculture, industry, housing, hotels. When the state controller asked what had happened, he was told by the Treasury that there had been a mix-up. A year later the controller levelled more explicit criticism: "The guarantees, which are the country's conditional obligations, constitute an integral part of the balance sheet." This time the people at the Treasury sent the controller to RESHUMOT, the official gazette, where an annual report of guarantees is published in accordance with law, with the same general breakdown by branches. The following year the controller complained: "The publication in RESHUMOT does not contain the itemized list of guarantees that appeared in the past in the balance sheet." The Treasury did not bother to respond or explain.

In addition to writings such as the reports of the Civil Service or the Treasury, where the criteria for publication are determined by the stroke of an official's pen, there is a whole series of laws that impose a blackout on the publication of information for reasons of preservation of state security, its foreign relations, or its international commercial ties. That sort of blackout is subject to confirmation by the authorized government ministry, and by the body appointed to carry out the law. Such is the case with the law of the state controller, in the case of government corporations for the sake of establishing "straw" corporations, or with the securities law, which permits censorship of a company's prospectus and the concealment of various of its activities. A few weeks ago, for example, a prospectus was published by the DCL [not further expanded] computer corporation, one of the Shmu'el Kislev group of defense consulting firms. In the prospectus it was noted that the company operates in countries whose names are prohibited from publication, and that there is fear of a loss of profits because of an expected drop in orders of defense systems in those unnamed countries. The reports of the state controller

may be the best source of reliable information about government activities. A study of them shows that there has been a tightening up in the release of findings by various bodies, and what was permitted in the 60's has been prohibited and hidden from view ever since. Since the end of the 50's the state controller's reports have mentioned criticism within the general defense service and Mosad [Central Institute for Intelligence]. The details of the criticism at Mosad were never published.

As for Shin Bet [General Security Service], there was a different policy altogether. In 1963, at the end of the Ben-Gurion era, the state controller published for the first time a report on the missions of the service, its structure, and budget. In the following years partial findings were published about its administration and finances and about security checks for government workers. Operational criticism remained privileged. In 1973 a comprehensive report was published on the administration of worker affairs and retirement in the Service, work conditions and care for casualties. That was the last time. Since then the Shin Bet has gone back into the shadows, and the controller noted only that there had been criticism, without discussing it.

Government research institutions earned similar treatment. As early as the 50's the state controller published his criticism of the research administration at Koor and Nahal Shoreq. The activity of the nuclear reactors and the nature of the research conducted there remained secret, but in the 70's criticism was published of the administration of the reactors at Shoreq and Dimona. Heavy criticism was levelled, for example, at the management of the workers' restaurant in Dimona. In 1979 it was also levelled at the problems of workers and finances in the nuclear city in the Negev, and from then on, silence. It is unclear if there was criticism. The findings, if any, were not published. No criticism of the Biological Institute at Nes-Tziona was ever published, and it is not known if the state controller ever passed through its doors. The state controller's office refused to answer that question. At the Biological Institute they don't remember any such criticism.

By law, the state controller's report must be sanitized prior to publication, and must be checked for its possible damage to security, foreign relations, and the country's commerce. The body authorized to strike out parts of the report is the Knesset State Grievance Committee, after consultation with the controller. An entire critical report can be struck, or just parts or data from it. In other cases, the government may ask the state controller, for security reasons, not to prepare a report about a particular body that was criticized. Nothing is known about such requests in recent years.

Every year, in advance of publication of the annual report, the State Grievance Committee takes up all the details of the security system. From the office of the state controller, Miriam Ben Porat, it was reported that "the decision on publication is made after careful and protracted discussion, after a precise and fundamental check

of the entire matter, taking into consideration the professional opinion of the bodies involved." Present at the discussion are the heads of the state controller's office, representatives of the body under investigation, and others.

"The approach of the Commission is that the controller's reports must be published as a guarantee of the correction of problems," say MK [Knesset member] David Liba'i, chairman of the State Grievance Committee since 1984. "The one who recommends secrecy to us is the state controller, so that from the beginning we only see a very little bit. The Commission considers the state controller's opinion, and if there are doubts, they are in the direction of more publication and not secrecy." Professor Liba'i says that decisions are usually unanimous, without party rivalry.

In most cases the Commission accepts the recommendation of the state controller. The official in charge will sometimes invite representatives of the state controller and of the body being investigated to hear their statements, before making a decision. In other cases, the Commission will deviate from his recommendations in tone and even in substance. In the previous Knesset, the Commission decided to strike the publication of critical findings recommended for publication, after people from the body under investigation appeared before the Commission and swayed MK Raf'al Eytan to their side.

The bodies thus investigated have an interest in hiding the findings as much as possible. In 1987, in the heat of the debate over development of the Lavi', the state controller prepared a lethal report about decisionmaking for the project. When publication time arrived, the Aviation Industry appealed to the State Grievance Commission to censor the report. The members of the Commission from the Likud factions, Tzomet, and the religious parties, who supported the Lavi', agreed to secrecy and exploited an accidental majority in the session to authorize a month-long blackout. The defense minister at the time, Yitzhaq Rabin, who then already leaned toward squashing the project, was furious and asked to have the findings published. The official in charge of security also agreed. In the end, the campaign was successful. Only some paragraphs were struck from the report, and it was published as a separate booklet, with asterisks replacing the missing text.

Censorship for reasons of foreign relations or trade happens only in rare cases. MK Liba'i remembers only one commercial censorship during his tenure, and marginal corrections in reports about foreign relations. "There are few appeals for secrecy for commercial reasons," he says, "and most of them are rejected because we have the feeling that the bodies want to prevent publication."

In recent years, the state controller has tended to publish the list of investigated bodies, even if a blackout was imposed on the findings. Most of the censored reports dealt with sensitive operational matters: a squadron of

fighter planes, the operation of pilotless drones by the Intelligence Corps, IDF deployment on the Golan Heights, army preparedness for night fighting, and defending the public against chemical weapons. It is unclear why a report on soldiers volunteering for IDF service was also censored.

The state controller's office avers that there is no firm policy to censor critical findings, and each instance is weighed entirely on its own merits. MK Liba'i agrees with that. According to him, in the period of his tenure, publication of the reports on the Shin Bet and the Mosad was censored only after the Commission was persuaded that it was impossible to publish anything without hurting the Shin Bet. He refused to talk about criticism of government research institutions.

It may be that no one sat down and thought up an explicit policy for increasing secrecy and concealment. Nevertheless it is hard not to discern a continuing trend in government publications to conceal information as much as possible and thus to impede outside criticism of government actions. This tendency toward increasing strictness might be understandable in the case of security and semisecurity matters, but it is hard to justify concealment of data such as a list of state guarantees. But so long as the government is not legally required to furnish information to the public and publication depends on happenstance decisions or broad, unclear criteria, it will be impossible to change anything.

**[Box, p B5] Licensed Investigators**

One person who went against the flow and brought about the transmission of information to the public and the publication of details that had been concealed up until then for security reasons, was the justice minister, Shmu'el Tamir. By law the justice minister is authorized to grant investigators permission to collect testimony. Such permission authorizes the investigator to collect testimony and obligates the person questioned to provide a full and correct answer. Such permits were given, for example, to assessment officials, to nature-preserve supervisors and to price supervisors, for collecting testimony in matters within the scope of their professional authority. Without the permit, the investigator has no authority, and there is no obligation to respond to his questions. By law the permit is published, together with the name of the investigator, in RESHUMOT.

For many years the General Security Service used to collect testimony for people questioned without its investigators having open legal authority. Fear of them was sufficient, apparently, that those asked "sang" freely. When Tamir arrived at the Justice Ministry, the policy changed and investigations by the Shin Bet were given legal force. In RESHUMOT there began to appear permits for the collecting of testimony for "state workers whose names are listed below," without explicit mention of the Shin Bet. Thus, for example, a permit like this was

granted to Yosef Ginosar in 1979. Over the years, similar permits were granted to dozens of "state workers" and "Defense Ministry people."

When the Landau Commission checked the Shin Bet's investigation methods, "only some of the people in the investigation unit were granted appointment by the justice minister as investigators," according to the Commission's report, which suggested designating Shin Bet people as investigators another way, without public announcement. But the Ministry of Justice and the Shin Bet did not revert to the times of secrecy, and the investigation permits were published even after the Landau report. "The permits are not censored," says the Justice Ministry's Sara Zisman, who is in charge of the matter. "The Shin Bet merely asked that we not use its name and make do with a list of names. No one asked for an end to publication, even after the Landau Commission."

**MK Demands Change in Government System**

*44230126D Tel Aviv HA'ARETZ in Hebrew  
6 Apr 90 p B1*

[Commentary by Binyamin Netanyahu]

[Text] The most recent coalitional crisis again exposes the basic weaknesses of the usual system of government in Israel. The hour of the present crisis obliges us to take a fresh look at the bases of the coalitional framework and try to completely restructure it.

Recent events are nothing more than the peak of a long and continuing crisis. Since its establishment, the government has been weak-kneed. At every juncture where a basic decision was required, the very existence of the government has been placed in doubt.

During the term of the national unity government, we have been witness to an untenable phenomenon in sound government. Senior ministers have sharply attacked the head of government and its agreed-upon policy. Government members have worked tirelessly to overthrow the government they serve in. Certain ministers have taken the liberty to openly cooperate with external elements and even, in some cases, to coordinate their positions with the worst of our enemies against the government.

Every time the prime minister tried to prevail in policy questions or to impose his will on his ministers, the existence of the government was threatened. The fate of the government and the most decisive questions in the country's life were, in fact, snatched from his hands and those of the majority and given over to those factions and camps with the power to decide whether the government would continue to serve or fall.

It is no wonder that the government languished to the point of losing—even before its fall—the ability to make decisions and carry them out. Even on noncontroversial

questions, like the absorption of immigration, the government could not consolidate an agreed-upon policy and implement it.

No prime minister in Israel can, for example, require the agriculture minister to release state lands for rapid construction to answer the needs of immigration absorption. He cannot require the housing minister to implement prefab construction programs. He cannot prompt the treasury minister to reduce taxes and provide incentives for rapid construction and the development of new businesses. The result is that very little is being done to free the economy and prepare to absorb the waves of immigration. Thus national problems of the greatest importance fall victim to turf battles among the various ministers while the crumbling coalitional government prevents the prime minister from making a clear choice among them.

The reason for this sad state of affairs cannot be sought in the prime minister's policy and certainly not in his personality. The real blame lies with our rotten system of government. In the Israeli parliamentary system no prime minister can keep the promises on the basis of which he is supposed to run the country. He is dependent upon small factions and, sometimes, on the caprices of solitary Knesset members [MK] to set up a government and conduct the affairs of state.

The coalitional negotiation going on these days strikingly highlights this basic flaw. Once again the substantive interests of the public are hostage to embarrassing wheeling and dealing. While the party heads are embroiled in divvying up the ministries and allocating the budgets, the main issue is neglected: the ability of the government to decide the fateful questions on the national agenda that demand proper attention.

What we need is not a new coalitional agreement. A new government, whether broad or narrow, based on the existing parliamentary foundation, will be as captive as its predecessors to a variety of interests that have no connection with the national interest. Instead of trying to repair the coalitional tears, we would do better to try to change the legislative basis on which governments are established in Israel.

A change in the method of Knesset elections in and of itself will not answer the basic problem of the lack of a stable, decisive government. The rise or fall of the government will still be controlled by small factions only occasionally motivated by the nation's welfare.

In order to restore the government's decisionmaking power, it must be placed on a new foundation. There is no better or more just basis than the will of the majority of the people. Therefore, the basic correction needed now is a change in the method of government to a direct, personal election of the prime minister.

A prime minister elected this way will be able to appoint his ministers as he chooses, consolidate a national policy

with them and oblige them to carry it out unconditionally. Legislative bills to accomplish this, submitted by Knesset members from Likud, Alignment, Tzomet, and Shinuy show that this conclusion is no longer just the wish of the public but the patrimony of a broad spectrum of people's representatives in the legislature.

The Knesset, whose authority would be strictly defined by the new method of government, would maintain its ability to check and balance government activities, whether by appropriate legislation or by certifying or rejecting the budget. We would thus maintain the principle of separation of powers and balance among them, which forms the basis for all democratic governments in the Western world.

The new system would not affect the relative representation of the various factions in the Knesset. On the contrary, it would resolve the contradiction between the need for stable government and the desire for maximal representation of all streams in Israeli society.

The Knesset representatives would be elected separately from the prime minister, and that would assure fair representation in the legislature for the smallest factions, but would prevent them from paralyzing the decision-making authority of the executive branch. What is needed today is not just elections for the Knesset but elections for prime minister.

Many countries have implemented a similar sort of government and have come out ahead. But we also have a salient Israeli example: the reform of the mayoralty elections. Every citizen recognizes the enormous progress in the functioning of the local authorities since the implementation of the direct election of mayors and town councils. The protagonists of that reform saw it, from the beginning, as a wedge for similar change at the national level. The time is now to carry out that change!

We have no time to waste. The multitudes of Jews coming to Israel, the economic and social changes required by this mass immigration, and the political decisions we must make present us with prodigious challenges.

The Israeli people expect effective leadership. A change in the method of government will provide that leadership.

#### Ultraorthodox Involvement Viewed

44230126A Tel Aviv HADASHOT  
in Hebrew 30 Mar 90 p 5

[Article by Rubiq Rozental]

[Text] This is the question that has remained on the agenda: how to make friends with them. How do you mix with this segment of the nation, fair-skinned, always rushing from some teachers' school to some seminary,

straying from the boundaries of their own neighborhoods with faces hidden, and returning and disappearing, muttering things in an unintelligible language and not making friends, simply not making friends.

After all, we are a society that is constantly making friends. The Poles and the Russians made friends. The Iraqis and the Moroccans made friends. Even the Germans made friends. They have all gotten together into one Mediterranean nation speaking a jumbled version of the language of the Bible. Another generation and you won't know who is Ashkenazi and who is Sephardi; all the men will look like Latin lovers and all the girls, like clones of 'Ofra Haza and Sharon Hakohen. We will be one nation—the Israeli nation.

Even the Arabs make friends, sneak in through the back door with their canned Hebrew, with their new Jewish head, via the radio, the theater, and soccer; soon we won't be able to tell an Arab in the street unless he's carrying a broom. And just try to distinguish between an Arab and a Druze, who is like a Jew in every way.

Only the orthodox don't make friends, refuse to join in, and continue to threaten the Israeli people about its codes, its holy melting pot. They don't make friends and they go on multiplying. They don't make friends and they buy apartments and neighborhoods and build ghettos in the cities. They don't make friends and fill the Knesset. They don't go into the Army—and there is no friendship for anyone who doesn't go into the Army, doesn't run around the hills, experience the breeze, the hubbub. And they don't go into the reserves.

Until just now, for the first time, the golden opportunity arrived for them to begin to make friends, to speak one language, to make one people—and that opportunity was politics. For the first time the orthodox won the golden coalitional goose; i.e., swing-vote status. The NRP [National Religious Party] can only drool over such an opportunity, and Dash [not further expanded] managed to miss it in 1977 before it fell apart. The orthodox parties were in a strong swing-vote position back in 1984, but the National Unity government didn't allow them to enjoy it. Only now, with the fall of the government, do they have the chance to realize it. With the swing vote you can get into all kinds of places, of course—into the government, into the treasury coffers, and even into the Israeli nation. This new political status makes the orthodox more sought after, more vital, more possible, certainly not superfluous. For a moment it seemed that politics was the beginning of the return to Zion for the orthodox nation.

The Degel Hatorah congress was the burial ceremony for that experiment. For one evening the Yad Elyahu stadium was a giant bubble in which the orthodox planet rotated before the gaping eyes of the Israeli nation, showed its face and the power it possesses, continued on its path with no dialogue, with few signposts or means of communication. In the street the orthodox individual seems hurried and absorbed in himself. At the Congress,

in the island of the stadium, they all seemed absorbed in a common joy, acting in accordance with an unknown code of behavior and thinking. The message sent by the sea of black hats, from their raucous praying together, from their signal attentiveness, was clear: Apart from the budgets, the orthodox don't need anything from the State of Israel. The orthodox have books, they have songs, they have a communal identity and they have a father, they always have a father.

The father, too, was exposed for the first time to the eyes of the community at large. As in all the campaigns of this planet, the power of Rabbi Shakh, too, can only be understood by the Israeli nation by means of an analogy. The power of the Rabbi is based, as it were, on personal authority that has developed over many long years. According to his speech, that power is today wrapped in massive spheres of support and strength—the spheres of tradition and community, the spheres of increasing economic and political power, the psychological spheres of a holy father. Within all these spheres hides a man who is very old, tired, and muddled. When he shifted from Hebrew to Yiddish in his speech, it was like peeling off an oppressive burden placed upon him to say things that the secularist might understand, and moving to a more comfortable position as head of a seminary who can rebuke his students. The unfortunate sentence about the kibbutzim was pulled out, perhaps unintentionally, from a dusty drawer. Afterward the Rabbi gradually flickered out until he suddenly sunk to his chair and was silent. It is doubtful whether the media exercise that enabled all Israel to have a peek at the holy rabbi had the desired effect. The nation saw a tired man and heard a weak, confused, and damaging speech. When you think that this man today can decide the fate of the nation, you have to raise a brow.

Orthodox politics thus refuses to get on with it and make friends. While the NRP knew how to use its swing-vote function with creative joy, it is a superfluous burden for the ultraorthodox. At best they will use it to establish a new national unity government in order to be free of the burden. Rabitz, Peretz, and Dra'i want with all their might to create a new political structure and continue with the slow penetration of the Israeli reality, but they are trapped by the facts of life on the ultraorthodox planet. The editor of EREV SHABAT, who spoke this week on Ze Hazman, was more explicit. We don't want to influence, he said. The swing-vote function is difficult for us. Our strength is our weakness.

The orthodox leadership does not want active, sophisticated political influence over all aspects of life because such influence would open the gates to both sides and threaten the closed orthodox world. If 'Ovadya Yosef makes a political statement, that is terrible, not only because that is not a rabbi's job, but because Rabbi Yosef thereby embroils himself in the controversial secular Israeli world and opens the forbidden gate to it even more. Rabbi Rabitz got the green light to be the pied piper of the newborn Jews; i.e., to open a one-way street to bring the secularists to the orthodox. Now he

wanted—he so dearly wanted—to go with Alignment and “with great sorrow” discovered his limitations. To lead the reborn, yes. To create a coordinated, flexible political course with the secularists, no. Above every orthodox politician stand 10 rabbis ready to emasculate him. If anyone tries to compare the acceptance of instructions from the orthodox holy rabbi with consultations with Me’ir Ya’ari or Tabenqin, he is way off base. It is true that Ya’ari and Tabenqin continued the tradition of their master and sage in their leadership style. But Ya’ari has been a Knesset member for years, and both of them were deeply rooted in Israeli politics, its jargon and its clear-cut dilemmas. Their course was predictable. In contrast to Rabbi Shakh, age and the spirit of the time gnawed at their authority.

Ultraorthodox politics is emasculated, and in its wake Israeli politics is turning into a complicated battlefield. In the confrontation between the secular parties and the ultraorthodox, each side speaks a different political language. When the NRP had the swing vote, it was a loyal, predictable party. Its people went along with every government and forged a historic compact with everyone that history smiled upon. The ultraorthodox are fickle, mercurial, apparently ready to tag along with everyone while, in fact, not wanting to go with anyone. Why did the rabbi rule as he did; how, pardon the expression, does he make his decisions? Perhaps it is the word of God issuing from his throat when the rabbi rules in favor of Likud and Shamir. In the language of Israeli politics, this seems to be the capricious course of a powerful and tired man. The problem is not simply who the orthodox have crowned. The problem is that in this most recent crisis, they have injected a kind of virus into the code of Israeli politics and screwed up its mechanism. If they continue to hold the swing vote, this situation will persist until the coming of the Messiah.

#### **Recognition of Unofficial Arab Leadership Requested**

*44230126C Tel Aviv 'AL HAMISHMAR  
in Hebrew 5 Apr 90 p 9*

[Article by 'Avner Regev]

[Text] Land Day gave legitimacy and strength to those lines of thought on the agenda of policymakers responsible for dealing with the Arab sector in Israel. Once again it became clear that the Arabs in Israel have a leadership that is accepted by almost all political streams, in the figure of the Tracking Committee and the Committee of the Heads of Arab Councils. This leadership does not require any means of enforcement, and its decisions, in most cases, are carried out unchallenged. The rule of the Committee during the events was almost complete, and, except for the irregularities in al-Tayyibah, the assemblies and strikes in the Galilee, the Negev, and the Triangle were conducted without incident.

Recently the Institute for Arab Studies in Giv’at Haviva published a survey of Israeli Arabs. It did a good job in

that in the first survey, it put together data on the results of the Histadrut elections in the Arab sector as well as the reactions of Israeli Arabs to the immigration from the Soviet Union. Now is the time to look at the events in al-Tayyibah in an attempt to expose the motives of the rioters and the inciting elements. Many people in the public at large, who do not keep track of what goes on in the Arab sector on a daily basis, could thereby get an idea of the forces at work in the Arab population.

#### **A Violent Demonstration of Existence**

The intifadah began in December, 1987 with a marginal event in the Gaza Strip that swept the inhabitants of the territories in its wake, without any prior intent, guidance or assistance. There was no leadership that had previously decided how to behave and how to react. Spontaneity was the name of the game and determined the actions of the inhabitants. Incorrect and irrational reactions by the Israeli security system were, at the start of the intifadah, fuel for the fire that fed the uprising.

In al-Tayyibah masked youths threw stones at the police. This was an attempt by a small minority to move toward escalation in relations with Israeli authorities. Arab MK’s [Knesset members] and people from the Islamic movement unsuccessfully tried to prevent the occurrences. It might be claimed that the village movement is behind the riots in al-Tayyibah and the attempts to disrupt additional assemblies in the Triangle and the Negev. That movement is not represented in the recognized leadership of Israel’s Arabs and has no part in the Committee of the Heads of Arab Councils and the Tracking Committee. Therefore it demonstrates its existence through violence.

The Gaza Strip youth who began the intifadah were not prepared to listen to the established Palestinian leadership any more. They initiated independent action which put them on the map. The government of Israel’s non-recognition of the leadership of Israel’s Arabs is likely to serve as a pretext for al-Tayyibah youth to demonstrate their unwillingness to accept the will of the institutions chosen by the Arabs themselves, and bring about radicalization. Those who keep track of what goes on in the Arab sector will have to keep that in mind lest they get caught up in their mistake like those who didn’t understand what was going on in the territories before the outbreak of the intifadah. There are already signs of that. All that is left now is to look at why and try to reach some kind of solution.

#### **A Mistaken Policy**

The informal leadership of Israel’s Arabs is not recognized by the institutions of state, which see this organization as a potential for hostile activity. That lack of recognition is a serious mistake that has already gone on for many years and causes fringe groups in the Arab sector to decide to change the Arab mouthpiece. Their thinking is that by so doing they will undermine whatever legitimacy that leadership enjoys and drag the

security apparatus into a reaction that will, in turn, radicalize the positions of the Arab leadership.

The lack of understanding by many people of the principles uniting the Arab population on Land Day was also expressed in the behavior of Labor Party activists when they came to determine the institutions of the Histadrut committee, that met this week. In the previous elections, about 55 percent of the Arab sector voted for Alignment. In the 1989 elections, the Labor Party got about 44 percent and MAPAM [United Workers Party], about 10 percent. In an agreement reached between MK Nawwaf Musaliyah and Yisra'el Qesar, Mikha Harish, and others, it was decided to change the number of Arab members of the working committee.

The heads of the Labor Party did not honor the agreement and reduced the number of members on the working committee and the Histadrut council by 50 percent. There is rampant bitterness among the Arab members, and again they feel there is no equality in the party between them and the other members. This bitterness was vented by Land Day speakers who complained of inequality, discrimination, and alienation of the Arab sector.

On Land Day the Arab leadership tried to alert and warn about the situation of the Arab population. The attitude of the authorities to this sector that it is a security problem is the source of the misunderstanding and the mistaken policy. The Arabs of Israel are citizens with equal rights. Any attempt to undermine that will find the population standing shoulder to shoulder against any attempt to hurt it, with no differences in political outlook.

The government of Israel must make a basic decision to recognize the Committee of Council heads. It must find ways of consulting with it and thereby pave the way for coexistence in the State of Israel. Continuation of disregard and alienation is likely to drag Israel's Arabs, especially its youth, into ways and actions like those that started the intifadah in the Gaza Strip.

#### 'Private Army' Active in Territories

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in Hebrew 6 Apr 90 pp 4, 5

[Article by Yig'al Sarna and 'Anat Tal-Shir]

[Text] In broad daylight in the winter of 1989, Ma'zuz Mar'etah, aged 14 and 1/2, was taken from the building site at which he worked in Ari'el and led away for "his sentence" to be carried out. Six men from the Moqed Gil'ad security company, equipped with communications equipment, pistols, and submachineguns, came in two cars and stopped next to a "Build Your House" site.

Standing next to a mud hole, Ma'zuz Mar'etah saw them and became alarmed. They brought with them the girl named D. She pointed to him, saying "this is the one that tried to kiss and hug me." The weapons were levelled at

the workers standing around. "Whoever moves will be shot," the men said. Ma'zuz was pushed into one of the cars and the small convoy departed.

They sped toward the mountain where Ari'el's deserted science campus of large, empty buildings is located. There, far from onlookers, in one of the sheds, they unloaded the youth, who had already been beaten on the way. When he fell to the concrete floor, they resumed beating him, kicking him in the head, stomach, extremities, and testicles, and cursing. One of the men was the father of the girl, a kibbutznik who worked at the time as a security guard with Moqed Gil'ad. "Dry blows," stated their commander, Roni Gil'ad, meaning punches and kicks to the stomach, which do not leave marks.

At a certain point, the commander ordered the cessation of the blows. He dismissed the others, withdrew his pistol, and ordered the boy to stand against the wall. Gil'ad pointed the pistol at the lad's head, pressing the metal barrel against his neck. Ma'zuz sobbed and shook. Gil'ad squeezed the trigger. A dry click was heard from the pistol, whose magazine had been removed earlier.

When the mock execution was finished, the blood was dried from the youth's face with a cement bag. He was loaded into one of the cars and delivered to the Ari'el police as a bruised package. The boys then returned to work.

#### In the Image of the Commander

The good boys of Moqed Gil'ad established the company with excellent timing in early October 1987 on the eve of the intifadah. The subsequent months and the hostile times have transformed it, as described below, into a private army operating outside the limits applied to the security forces. The company engages in wild firing, provocation of villages, fantasias [a popular celebration with singing, dancing, riding and wrestling contests, and firing in the air, although, here, as described below, a staged confrontation incident] for new clients, theft of ammunition from the IDF [Israel Defense Forces], harassment, individual punishment, mock executions such as that of Ma'zuz Mar'etah, and other activities. Courage and wildness have transformed the company into an exclusive leader in the West Bank.

The company began to provide guard and security services to commercial companies with business dealings in the West Bank and the Gaza Strip. Since its inception, it has been built in the image of its director, Roni Gil'ad. The intifadah has become a pretext for the company's existence. The company's great florescence is linked to the disturbances. One hundred men, residents of Judea and Samaria, most of them secular, make a living working for the company in security services.

The executive shares were held by Shmu'el Reyqin from Giv'atayim, Yehuda Zohar from Sha'arey-Tiqva, and Roni Gil'ad from Ari'el. Zohar left recently, and Gil'ad now holds two thirds of the shares, and Reyqin holds the rest.

A week ago, at the start of the trial of Colonel Yehuda Me'ir—who is accused of issuing an order to beat locals placed under arrest and to break their arms and legs while they were bound—Gil'ad was seen in a group of friends surrounding Me'ir. At that time, it was already known that Col Me'ir had been appointed by Gil'ad to manage Moqed Gil'ad's operation.

Gil'ad and Me'ir have known each other since the time Gil'ad was an Ari'el security officer and Me'ir served as the military commander of the Nabulus sector and as the head of the group staff. In the West Bank, the boundaries in relations between the IDF and a private company such as Moqed Gil'ad sometimes become blurred

#### 'Operating in a Broad Vacuum'

Moqed Gil'ad's great growth began about a year after the intifadah started. Roni Gil'ad states that, when he was still the Ari'el security officer, he identified a "vacuum between the needs of the residents and what the Army was able to provide. This vacuum grew considerably with the intifadah." Gil'ad offered a convenient solution to commercial companies not wishing to endanger their personnel in the territories: Security and escort services.

The company's circle of clients broadened considerably with time. The big clients are: the Electric Company, which installed high-tension poles, gas tanks that distribute gas to IDF bases or to Arab facilities, and fuel tanks; the Tim computer company (computerization of the civil administration); Koor Communications; the Jewish National Fund; physicians, nurses, and workers of the Qupat Holim Le'umit health care organization; journalists; the Samaria Development Company; students; buses traveling to events in the territories; and artists travelling to appearances. The most lucrative client is the Defense Ministry.

On a quiet day, the boys of Moqed Gil'ad empty two to three submachinegun magazines. In an area where every bullet shot by a soldier in an attacked patrol is counted, the folks from Moqed Gil'ad empty eight or nine magazines. The Army requires the submission of a report for each bullet fired [by its own personnel].

They shoot to damage solar water heaters according to an order that Gil'ad gave in a staff meeting in March 1989. Gil'ad instructs his personnel to make sure that they cause visible damage when they punish locals. The Moqed Gil'ad directive is to try to use 5.56 ammunition, also in use in the IDF, to make it difficult to identify the source of a shot. Gil'ad claimed in an interview that Moqed Gil'ad personnel act according to the IDF's directives for firing, "which are like a guiding light."

The security guards working for Moqed Gil'ad are residents of Judea and Samaria and are therefore entitled to obtain weapons for self-defense. They sign them out at the civilian commands of their settlements. They use their personal weapons when working for the company. While other companies use only pistols, Moqed Gil'ad has stockpiles of personal weapons. The substantial

amount of shooting by Moqed Gil'ad personnel creates a constant, severe shortage of ammunition.

Gil'ad has given his employees directives that hint at ways to obtain ammunition. A Moqed Gil'ad car is frequently equipped with gas grenades, shock grenades, and firecrackers. The acquisition of ammunition is accomplished by their convenient access to IDF bases in the area. According to testimony, ammunition is stolen from ammunition unloading points at IDF bases and from jeeps parked at roadblocks or on roadsides. Ammunition is also obtained through good connections with civilians and security officers at settlements in Judea and Samaria.

Gil'ad claims that the ammunition comes from the settlements. The shock grenades, he maintains, are forbidden by law.

When asked whether he had found grenades in the possession of his boys, he replied: "That is forbidden. Whoever violates the law should bear the responsibility."

Some of the security guards, who are employed on a daily basis, are soldiers in regular service. Some of them are on leave. Others are off duty, and others work on Saturdays. A situation has developed where a boy who is a soldier in the morning shoots in the evening as a Gil'ad mercenary. Roni Gil'ad has at his disposal an IDF communications device (an MQ [communications device]-25). The legality of his possession of this device is unclear.

Violence, like an infectious disease, strikes everyone. When guarding a tanker truck at which a rock is thrown, the Gil'ad boys get out of their truck, strike the first Arab apprehended in the ensuing chase, fire in the air, and throw firecrackers and shock grenades. The guard empties two magazines. The concerned tanker driver goes out with the good feeling that someone is defending him at his company's expense.

#### When the Smile Is Erased

Roni Gil'ad is 33, of average height, and has a youthful appearance. He is a smiling person, whose smile, at certain moments, such as in the shed at the science campus in Ari'el, disappears, to be replaced by hardness. Displayed in the glass cabinet in his office is first prize in a Barretta pistol shooting competition.

Gil'ad is a resident of Ari'el. In the past, he lived at Kvutzat Shiler, the kibbutz of his wife Le'or. He was a member of the Shomer Hatza'ir [young guard] of the Labor Party, although he is identified with Tehiya. As part of his mastery of the situation, Gil'ad is at pains to be well updated regarding the partisan organization of residents seeking revenge or another objective. His ears are opened to everything happening in the West Bank. Electronics operate in his service.

Moqed Gil'ad is a small private army, with a chief of staff who is adventurous but calculating and runs a well-equipped staff. The company features 100 employees, four team chiefs, dozens of pistols, grenades, submachineguns, computerized systems, linkage with IDF communications networks, and listening to other communications networks. Roni Gil'ad prefers the simple definition of a "security company."

As far as is known, no other security companies operate in Samaria. Some tried, but they folded and left the field to Gil'ad.

The company's headquarters, which look like a modern, military war room, are located in a residential cottage, across from the pirate boat that Ron Nahman [a local government leader] set up for the children to play on. Shifts man the headquarters, listening to every rustle on communications devices. Every rock-throwing incident, car accident, or march by persons with veiled faces is received there in real time. Curtains cover secret maps and charts. A "Rambo" atmosphere of Rayban sunglasses, palladium shoes, an Uzi slung over the shoulder, and macabre jokes, mainly about dead Arabs, prevails.

Gil'ad himself is armed with the pistol of professionals, a 9-mm Zig-Zaver with a long barrel. He is a good marksman, having proved himself at firing ranges and in shooting competitions. His personnel receive hasty professional training at the "Hahugla" club in Caesarea, where, on two Saturdays, they learn to fire a pistol, fire an Uzi, drive evasively, shoot while driving, and execute a slalom and 180-degree turn in a vehicle—life on the set of a Hollywood western. The company's personnel are aged 20 to 40.

Gil'ad is not strict in selecting new workers. He does not insist on officers, a combat background, a certain level of education, or guard or escort experience. He relies on his command ability, or, as he himself defines it, "my personal impression. Whoever tries to solve the problems of Israel by means of an Uzi barrel will not work with us."

Some of the characters that have passed through Moqed Gil'ad acquired names for themselves in even the wild West Bank. Such a person is a young man nicknamed Chuck Norris. His real name is Shlomi Levi. A resident of Ginot Shomron, his house contains an impressive collection of swords. Because of his resemblance to Chick Norris, the "Rambo" of Golan-Globus [film company], he has been filmed as a Chuck Norris double in a Hollywood production. He is a karate-hoodlum, whose hobby, according to his acquaintances, is beating his victims into unconsciousness.

According to Gil'ad, Chuck Norris-Levy no longer works with the company. "We released him by mutual agreement. I will not enter into details." It is known that it was Yehuda Me'ir who recently dismissed him from the company. Another character, a veteran in the company, is Dudu Galmodi, nicknamed "the hunter." Galmodi is also a resident of Ginot Shomron. In the reserves, he

served as a signalman in the Nabulus administration and was attached to Yehuda Me'ir. He used salt bullets in his hunting rifle. His terrible rifle was once captured, to his misfortune, by the lens of a foreign television network photographer. The regional commander, 'Amram Mitzna', ordered that his services be relinquished.

Gil'ad does not pay high salaries to his personnel, who are not motivated solely by economic considerations. Company employees are lovers of risks who seek action and outlets. Sometimes they are fearless. The work is stimulating. Every day is different. They come to know the field, they taste the taste of power and control.

#### A Good Fiberglass Club

The Electric Company is a big client of Moqed Gil'ad. Last year, it erected iron utility poles on agricultural land of local Arabs. The locals tried to knock down the poles. Moqed Gil'ad carried out two to three patrols per day along the tract containing the poles. After a pole was knocked down, Gil'ad gave an order according to which any local caught in the area was to be beaten and well taken care of.

After a night in which six poles were knocked down, Moqed Gil'ad security guards went out on Saturday in two jeeps to conduct a violent operation in the area under Roni Gil'ad's orders. Anyone found in the area was to be beaten. A surprised local who attempted to flee to the adjacent Bedouin encampment was caught and handed over to the Army.

When escorting tanker trucks, company workers, in the event of a rock-throwing incident, customarily apprehend a local and put him into the truck. They take him outside the village, beat him, and throw him onto the roadside. Sometimes they push him out of the cab while the truck is moving. They use clubs, sticks, and fists. Gil'ad himself has an improved fiberglass club, only a few of which can be found in the IDF. One security guard has made a name for himself for rendering Palestinians whom he handles unconscious.

A joke in the company's headquarters says that even if an apprehended Arab threw no rocks today, he will throw them tomorrow, and if not tomorrow, his cousin will.

A new client receives what is called in the company "fantasia," to remove doubt from his mind that he is getting his full money's worth. Near a problematic village, the security guard screams: "Rock from the right!" This is the side on which the driver's field of vision is limited. They tell him to stop. They jump from the tanker truck, and stage a party with such effects as firing in the air, gas grenades, firecrackers, a chase, noise, and smoke.

In other cases, they attach a blue police light to the roofs of their cars. The boys sometime masquerade as SHABAK [General Security Service] personnel, serenely crossing IDF roadblocks. In the company's zone of

operations, company personnel are under orders to make clear to every Arab on the road that Moqed Gil'ad personnel are not to be circumvented. They signal anyone going around them to pull over, at which point they shatter his windshield. If it is a secondary road with no traffic, they remove the person from his car and beat him.

During the week that a large gas facility was installed in Qiryat Arba', a long convoy of semitrailers guarded by the company slowly transported large parts of the facility to the installation site. Gil'ad ordered his personnel to prohibit locals from going around the slow convoy. A driver from Hebron went around the convoy on the shoulder and gave the "V" sign. He was caught after a short chase. His "V" fingers were broken by the security guards.

#### Mosque Loudspeaker Punctured

Once, Roni Gil'ad found himself trapped alone in Qafr Burqin, not far from Ari'el. He radioed a request for reinforcement. His personnel quickly arrived and began to empty their magazines. Soldiers arrived later, and stood on the side. The harassment was cut short only because a Red Cross worker, who happened to be passing, began to record the incident in his notebook.

Moqed Gil'ad personnel move quickly in the field. They know each highway better than a tired reservist. In other words, this is not their first week in the area. When there are no encounters with locals, an operation is sometimes initiated in the villages. They enter a village with a rented car. After a rock is thrown at them, they enter homes with cocked weapons and bring the men out.

The locals might think that they are SHABAK personnel, settlers, or followers of Kahana, inasmuch as they wear civilian attire, carry IDF weapons, travel in rented cars, and speak Hebrew and broken Arabic.

Action has become an inseparable part of life in Moqed Gil'ad. When employees have two hours to kill until a tanker finishes unloading, they travel on precisely the most problematic artery that passes through a village, stirring up the area, becoming a target for rock throwers, and conducting a chase accompanied by firing. By that time, the two hours have elapsed. Part of the experience on Fridays in Gaza is to pass by a mosque, at the time of a "mosque alert," which is close to noon, when Muslim prayer services are ending in the area. When traffic is blocked by the Army to prevent friction with locals, Moqed Gil'ad personnel move next to a mosque to incite a riot, at which point pacification can begin.

During an incident in the village of Zuwaydah in the Gaza Strip, next to the waffle factory, whose gas supplies are protected by Moqed Gil'ad during transport, a company-protected tanker broke through local barricades and the boys punctured the loudspeaker of the mosque. In another incident, Moqed Gil'ad personnel and soldiers arrived at a village simultaneously. They divided the work among themselves. One Moqed Gil'ad worker,

an Arabic speaker, declared a curfew. The others helped IDF forces enforce the curfew.

In Tulkarm, they had an encounter with the local governor because of their insistence on firing in the vicinity of a school, despite the IDF's attempts to quiet the sector.

The IDF is not acting to restrain Gil'ad. Within the disorderly reality of conflicting orders, beatings, suppression, fear of being tried for irregularities, inability to understand the politicians' directives, some believe that Moqed Gil'ad is playing the role of "Dirty Harry" or Charles Bronson, who purges New York of scum.

Gil'ad creates many jobs in an area that suffers, like other areas, from unemployment. He employs only Jews. He is very familiar with Army commanders and personnel of the civil administration and SHABAK. He knows how to provide a human service to soldiers in the field, allowing them to send greetings to their families through the company's communications network. Not every private knows the precise definition of Moqed Gil'ad's activity.

Gil'ad's people move within this fog. Rarely does a Border Guard policeman request a Moqed Gil'ad worker to accompany him to the administration following a shooting incident to give a statement. Even if such a worker were to do so, within minutes, an order would be received to release him.

Some members of the media who cover the territories also maintain warm relations with Gil'ad. His headquarters has much information to report, and, in an area in which movement is so difficult, information is more precious than gold.

#### They Provoke Villages

Amid the burning tires and the undermining of Israel's control in the territories in the second year of the intifadah, Gil'ad has supplied protection to several village heads in Samaria. Protection means that Moqed Gil'ad personnel go immediately to the house of such a village head if he pushes a distress button installed by the company in his home, which illuminates a light in the war room of the company's headquarters.

More than a year ago, a rumor began circulating about a large security project entailing the provision of protection to village heads and collaborators throughout Samaria, including Nablus, Janin, Tulkarm, and Qalqilyah. The project was supposed to have injected the company with money, prestige, and control in the field. Gil'ad very much wanted the project and won it in the summer of 1989. Moqed Gil'ad installed the distress buttons and committed itself to performing operability and accumulator checks and repairing breakdowns.

A source in the IDF reported that the project was given to Moqed Gil'ad according to the legal procedures stipulated for such a deal.

Upon receiving a distress call from a remote village, Moqed Gil'ad personnel report to the administration. Distress calls from nearby villages also cause them to jump. Gil'ad himself has many times run into the field. Moqed Gil'ad employees must wait at a certain point until the Army arrives. The Army, according to most, arrives after them. The frightened village head activates the button again and again. In the meantime, the boys from Moqed Gil'ad enter the village and establish order.

In order to win the project, Gil'ad wanted to prove, beyond any doubt, that his boys' response time is the fastest. The exact time at which a distress button is activated is recorded in the company's headquarters. Upon entering the village, the boys report their arrival.

The degree to which the borders are blurred between the needs of security and those of the company can be seen in Gil'ad's method of obtaining the protection project. Gil'ad sent his boys to create a provocation in the villages. A Moqed car passed by the village, a rock was thrown, and a chase was begun immediately. The boys responded with force, shooting in the air, and throwing gas and shock grenades and firecrackers. A riot was started and all of the residents came out of their homes. At that point, the boys quickly left the village, stopping on the roadside two minutes travelling time from the village.

When the anger of the crowd was directed at the village head, he hastened to push the distress button, illuminating a light at the company's headquarters and at the military base. The Moqed car, which had caused the riot, sped from its position near the village, fired in the air, and extricated the village head.

Such provocations have been made in several villages. The computer report pointed to the excellent performance of the boys.

Gil'ad denies everything. "I do not know what you are talking about. In the past, I would attach myself and enter with the Army. Now we only forward a distress call."

#### Slow Police Investigation

Ma'zuz Mar'etah, who was brutally beaten by Gil'ad's boys and subjected to what he thought would be his execution, sat on a ridge this past Wednesday near his village, Salfit, watching over the family flock of sheep. When reminded of the incident, his entire body shakes. Since the Tulkarm police questioned him, no additional legal steps have been taken. The contractor, Abu-Razzaq, told him that the boys from Ari'el want to meet with him again. Since then, he has not returned to Ari'el. That day was the first and last day of work in his life.

Gil'ad denies the incident, claiming that the youth attempted to flee from the Moqed boys, and that his

unruliness resulted in his being injured. The conversation with Gil'ad was cut short when we mentioned what happened between mute walls at the Ari'el science campus.

After that incident, the girl's family returned to its home at an established kibbutz in Israel. Fragments of rumors circulating in Ari'el regarding the incident—the pistol, the blood—and also regarding similar incidents involving violence and the blurring of boundaries, have aroused feelings of remorse, perhaps discomfort, among a number of people in the field.

In early March of this year, Knesset Member Dadi Tzuker, who had received some information about what was happening in the security company, turned to Defense Minister Rabin and to Police Inspector-General Krause, detailing serious charges against Moqed Gil'ad. The inspector general ordered the Serious Crimes Investigation Unit under Officer Sanro Mazor to open an investigation immediately. The police investigation is being conducted at a slow pace. This month, the defense minister and the inspector general were replaced.

As we wandered about this week with the photographer in Ari'el, on the mountain where the science campus is located, in the villages, and near the offices of Moqed Gil'ad, employees of the latter continued to escort tanker trucks, enter villages, shoot, and replenish their weapons stores from the IDF stockpile. It is all part of the depressing experience of that region where the laws are so different.

#### Chief of Staff Discusses Iraqi Threat

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in Hebrew 6 Apr 90 p 3

[Interview with Lieutenant General Dan Shomron by Ron Ben-Yishay; place and date not specified]

[Text] [YEDI'OT AHARONOT] How seriously should one treat Saddam Husayn's threats?

[Shomron] I would suggest not exaggerating the significance of this speech. It was more a broadcasting of fears of what we might do, and an attempt to deter us from acting, than a direct threat against us. He is not threatening to attack the State of Israel. He makes all his threats contingent on Israel attacking him first. His speech is imbued with "if." For example, Saddam Husayn states that he would use chemical combat means "if" Israel were to attack him, and "if" another Arab state were to request his aid after being attacked by Israel. Thus, I see no danger of escalation in the Middle East as a result of this speech. We read it as it is: An attempt by Saddam Husayn to deter us from acting.

[YEDI'OT AHARONOT] Husayn has previously made other warning speeches, but they were never as strong and aggressive.

[Shomron] For some time, Saddam Husayn has discerned a campaign being waged against him in the

international media. Reports have been published about the poisonous gases that he produces, he is censured for hanging a British journalist, and there has been public disclosure of the smuggling route for the electrical conductors that can be used to produce an atom bomb. He thinks that this campaign is intentional and intended to lay the groundwork for an action against him and his weapons systems.

He is very afraid that we will do something along the lines of the Tammuz-1 reactor operation carried out by the Air Force and still gain international support.

This is apparently the background for the speech, which in itself, does not foreshadow an immediate escalation of the Iraqi threat. Indeed, one should not be influenced by one speech. Rather, attention should be focussed on Iraq's construction of a true strategic capability, which is currently based on chemical combat means, long-range ground-to-ground missiles, and modern attack planes.

It is appropriate to stress that he still lacks a full capability in all of these areas. For example, there is no evidence that he has succeeded in adapting chemical warheads to his ground-to-ground missiles. During the Iran-Iraq war, none of the missiles launched against Teheran were equipped with chemical warheads. They were only fitted with conventional warheads. However, he has chemical air bombs and artillery shells. Regarding air bombs, perhaps he also has a binary capability as he boasts. However, artillery shells do not constitute a danger to the Israeli rear, and attack planes carrying bombs are much easier to intercept than missiles. I am nevertheless certain that, in the not-too-distant future, he will also have chemical warheads for his current missiles and those being developed.

[YEDI'OT AHARONOT] Is he also attempting to develop a biological weapon?

[Shomron] I assume that he is attempting to acquire a strategic capability through all possible channels. I do not rule out the possibility of the biological channel. As stated, he is continuing in the nuclear channel and is seeking a way to acquire a nuclear bomb without building an atomic reactor that could, at least theoretically, serve as a target for us.

[YEDI'OT AHARONOT] Why is he investing such massive resources in building this strategic capability?

[Shomron] I would not be making an original statement in saying that Saddam is seeking, for himself and his country, a leadership position in the Arab world. One of the means to achieve this is the creation of a situation in which he can limit, by means of threat, the freedom of military action of other countries in the region, especially that of Israel. He also wants to reduce the degree of freedom of Iran and other Arab states, such as Syria.

Let us take a theoretical example: It has been publicized that Israel would view the entrance of the Iraqi Army into Jordan as a cause for war, and that Israel could not

sit with folded arms in the face of such a development. Assuming that this is correct, Saddam Husayn wants to reach a situation in which, even if the Iraqi Army enters Jordan, Israel would not act out of fear of his missiles and chemical combat means. When he reaches his full strategic capability, he is also liable to want to try to reduce our freedom of action in Lebanon by means of threat.

However, it is not only Israel that should be concerned. Israel has a response capability that, to a great extent, neutralizes the changes in the Iraqi threat. Other concerned parties are likely to be other Arab states that lack the means to counter his missiles—his long-range, experienced air arm. They do not have a response capability like ours and they are in serious danger.

[YEDI'OT AHARONOT] What is included in what you call, with such restraint, the "Israeli response capability"? What do we have that is liable to make Saddam Husayn think twice?

[Shomron] I cannot specify of course, and I do not wish to, lest such remarks be interpreted in any way as a threat. It suffices to say that Israel has set up a very advanced, strong, deterrent capability (at the strategic level), and a credible civil defense plan, against the Iraqi, and not just the Iraqi, threat. Our response capability is based on a variety of means, not just one means.

In general, I can only say that an Israeli "second strike" in response to the possibility of an attack against our rear would be very serious and very painful for the other side. I cannot elaborate on the two main components of our response capability. Regarding civil self-defense, it can be said that we are in a very advanced phase of a comprehensive program to prepare the rear. We are in the process of the graduated distribution of gas masks to the entire population and we are providing the rear with self-defense training against a chemical weapons attack. We already have a plan and the ability to distribute, through reserve personnel acting as a civil defense array, NBC (nuclear, biological, and chemical) warfare masks to homes in times of emergency. We can do this within two hours. I want to emphasize that there is no connection between Saddam Husayn's speech and the distribution of NBC masks to civilians.

[YEDI'OT AHARONOT] The American weekly NEWSWEEK described a scenario in which the Iraqis, in a first strike chemical attack, would paralyze Israeli Air Force bases and disrupt the mobilization of reserves. Is this a realistic scenario?

[Shomron] The Army is also preparing itself for combat in an NBC environment. Air Force bases and emergency stores of the reserve array are trained to function in a situation in which they are subject to an NBC attack. Thus, the scenario of complete paralysis is not realistic.

[YEDI'OT AHARONOT] Our civil defense plan is based on at least a few hours' early warning of an attack

against the rear. Can it be assumed with confidence that we would have such advance warning?

[Shomron] Whoever intends to use missiles against us knows that he must expect a response. Before launching missiles, he would make preparations for a war, and there is a very reasonable chance that we would detect these preparations. I can only say that there is a high probability that we would have prior warning. I find it difficult to envisage a situation where there would be no warning.

[YEDI'OT AHARONOT] How concerned are you about the increasingly closer military cooperation between Iraq and Jordan?

[Shomron] It is certainly troubling. In Jordan, there is a true fear that Israel views it as a homeland for the Palestinians, and that Israel is seriously considering attacking it. Jordan has the perception that it needs the Iraqi military umbrella, and the Iraqis are using Jordan as a warning zone between them and Israel. This joining of interests produces results. The Iraqi Army has still not entered Jordan, but there is a joint squadron and there is close cooperation in the areas of warning and exercises. The continuation and deepening of the process are likely to give Iraq options for military action that it did not have before, which poses the danger of the beginning of an eastern coalition.

[YEDI'OT AHARONOT] Such as, for example the construction of ground-to-ground missile launching sites on the Jordanian-Iraqi border, which, according to the U.S. press, now number six, fixed, fortified missile sites, placed much closer to Israel than at any other time in the past?

[Shomron] Yes, it could be that the Iraqis wished to signal that 'if you act against us, we will respond.' However, it could be that the installation of launch sites near the border with Jordan is intended to open new options for them.

[YEDI'OT AHARONOT] Does Saddam Husayn have the technical ability to burn up half the State of Israel as he threatened to do if he were attacked?

[Shomron] I do not believe that he has such a capability. Nor do I think that he meant physical burning. He apparently meant that he can inflict heavy losses on us, which is also not that simple, even if he has a chemical capability.

Syria and Egypt had a chemical warfare capability before and during the Yom Kippur War, which they did not use, even when they were very pressured and in a situation of collapse, because they feared an Israeli response. By contrast, they did not hesitate to use chemical weapons against the Yemenis or Iranians, who lacked the ability to respond. Therefore, I do not think that the Iraqis would hasten to use their chemical warfare capability.

On the other hand, we know that Iraq is ruled by an autocrat. A substantial destructive capability in the hands of a single person, whose reasoning and sense of responsibility do not have our trust, is certainly a danger that we do not underestimate.

**Negev Population Situation Said Improving**  
44230127C Tel Aviv DAVAR in Hebrew 9 Apr 90 p 12

[Article by Amir Rosenblatt]

[Text] The negative trend of migration from the Negev has ceased, and the population of Be'er Sheva' has increased from 113,000 residents 3 years ago to 121,097 at the end of January. The population of the Be'er Sheva' Subdistrict (from Netivot in the north to Elat in the south) totals 306,588 persons.

The second largest city in the south after Be'er Sheva' is Elat, with a current population of 32,511. These figures were reported by the official in charge of the South District in the Interior Ministry, Shalom Danino, under the auspices of the Press Club of the Chamber of Negev Journalists.

Danino indicated that the city of Ashdod—unlike most local authorities in the south, which are in difficult financial positions—does not require the debt-spreading arrangement established recently with local authorities.

Regarding the problem of the Black Hebrews, he indicated that there is a trend in the Interior Ministry to solve the problem through "humanitarian means," even though the Black Hebrews "are not citizens of the State, having entered it as tourists, some of them using deception, fraud, and assumed names." Danino stated that members of the sect, who are concentrated in three areas in the Negev, the largest being Dimona, have been divided into two types: Those who have relinquished their U.S. citizenship, and those who have not done so. Accordingly, two interministerial teams were recently formed to solve each group's problem.

"All previous talk of drastic measures being considered, as it were, by the interior minister is absurd," stated Danino. He denied published reports of the possibility that members of the sect would be deported from Israel. When asked whether the Americans are willing to accept those who have not conceded their U.S. citizenship, Danino responded: "There has been no response."

#### Great Demand for Apartments in Be'er Sheva'

The offices of the Shikun Vepituah [Housing and Development] Company in Be'er Sheva' reported that the demand in the city for new high-standard apartments is skyrocketing.

According to company officials, the company sold, within 4 hours, all 10 cottages (yet to be built) offered for sale on Friday in the Ne'ot Lon project in the Tet neighborhood. The prices for these dwellings are between \$130,000 and \$138,000. Given the project's

success, the company is about to market about 20 other cottages in the same area, which will be of a similar quality.

The company sold six apartments in 7 hours in the Migdal Lon project in the same area.

Company officials indicated that a line of 46 persons formed at its offices on Friday before the opening of business. Numbered slips were distributed to potential buyers to preserve order, as is customary at Qupat Holim [Sick Find] health care facilities.

### Studies Find Weak Concern for Freedoms

44230127E Tel Aviv HA'ARETZ in Hebrew  
8 Apr 90 p B1

[Article by Eliyahu Salpeter]

[Text] An Israeli acquires "the religion of security" in his childhood. He concedes his independent participation in security decisions and allows the politicians to use security to manipulate public opinion. These remarks were made by Dr Yoram Peri of the Institute for Israel-Diaspora Relations, located next to Tel Aviv University, at an international conference on "National Security and Democracy," held by the institute recently.

A public opinion survey conducted at the initiative of Dr. Peri proved that the ordinary Israeli also adapts his position, if not his world view, to the government's positions regarding basic questions of peace and the territories. In response to the question "would you support a peace agreement in exchange for conceding most of the territories," 45 percent answered affirmatively and 55 percent answered negatively. The ratio becomes reversed in response to the question "what would your position be if the government supported a peace agreement that entailed conceding most of the territories, and the opposition opposed the proposal." In response to the preceding question 54 percent expressed support for conceding most of the territories and 46 percent were opposed. This means that the government's position can decisively change the ratio between supporters and opponents of the relinquishing of territories in exchange for peace.

The strong influence of the government's position became even more salient when the same question was presented in a negative formulation. In response to the question "would you support holding onto most of the territories even if this precluded a peace agreement," only 30 percent answered affirmatively, while 70 percent answered negatively. However, when the question was formulated as "if a peace proposal were linked to conceding most of the territories, and the government opposed such a proposal," 64 percent of the respondents said that they would support the government in rejecting the peace proposal, and only 34 percent would side with peace despite the government's position. In other words, the rate of those holding a position or its converse was doubled in accordance with the government's position.

Democracy is based on the assumption that public opinion shapes government policy. However, various studies in Israel show an inverse relation: The government's policy shapes public opinion. Israeli politicians are well aware of this phenomenon and exploit public opinion to gain support for policies which they have already decided. Public opinion functions to justify measures that have already been taken.

Different social science researchers have concluded that most Israelis regard themselves as illiterate in security matters, do not perceive themselves as having an influence on defense decisionmaking, and are willing to accept decisions made by government leaders. In one survey, 82 percent of the respondents said they rely on the leadership's statements regarding defense matters. Regarding such fateful defense matters, there is also a high degree of reliance on the opinion of senior Army officers and media commentators.

One result of the "religion of security" is that the Israeli public willingly accepts limits on individual freedoms and democratic processes. In a study by Professor Ariyan, 88 percent said that it is vital to support the government in times of a crisis or war. Dr Yohanan Peres found that a third of Israelis think that "the slightest threat to national security justifies significant limitations on democracy."

Two-thirds of Israelis are convinced that freedom of expression in the media damages national security. About one-half of Israelis believe that the media in Israel has "too much freedom," according to a study published by Dr Efrayim Ya'ar.

Dr Yoram Peri, in a lecture at the above-mentioned conference, stated that "the security situation" has created and maintains "state socialism." "The Israeli model could not survive were it not for the willingness of Israelis to grant the state almost absolute discretion regarding national security matters."

The bottom line, concludes Dr Peri, is that the Israeli public does not oppose the state's deep involvement in individual matters. Therefore, "the sensitivity of Israelis toward civil rights and individual rights is not the highest."

Other lecturers at the conference also dealt with the negative effect of the security situation on civil rights in Israel. "The most significant undermining of the social order, which was once considered the support of national security, occurred with respect to the principles of civil equality on which the State of Israel was founded and which prohibit discrimination based on race or national-ethnic origin," indicated Prof Moshe Lisqi.

In the past, treatment of security problems was outside the political debate. "Currently, the different solutions proposed to suppress the intifadah cannot be separated from political and ideological considerations. One of the

results of this process is the grave danger of the politicization of the military.... Hence, the intifadah is liable to erode support for the high command of the IDF [Israel Defense Forces]."

Prof Penina Lahav, who lectured on "National Security and the Media," dealt with the effect of the occupation on freedom of expression in Israel. "The reality of two separate systems of expression, one being relatively free, the other completely subjugated, has seriously affected both Israeli democracy and the Palestinians in the territories. The Palestinians, who were denied freedom of the press by King Husayn's regime before 1967, have learned to enjoy it. They see how democracy works, they have experienced the pleasure of thinking and writing, and they want it for themselves as well."

"The irony is that democratic freedoms in Israel are themselves among the causes of the intifadah, and it is impossible to repudiate them unless Israeli democracy sacrifices itself on the alter of holding onto the territories.... The real, decisive danger in having two separate systems, one based on freedom, the other on suppression, is that suppression will overflow its banks and also wash away freedoms in Israel inside the Green Line."

What does all this have to do with the Institute for Israel-Diaspora Relations? The answer was already given several months ago by the results of a comprehensive survey conducted among leaders of the Jewish community in America. The survey showed that leaders of most of the Jewish organizations in America are deeply concerned about the situation of democracy in Israel, and that they believe that this situation will to a large extent affect the future of attitudes toward the State of Israel.

#### Water Rationing Decreed

44230126B Tel Aviv YEDI'OT AHARONOT (Financial Supplement) in Hebrew 2 Apr 90 p 1

[Article by Nurit 'Arad]

[Text] The first water cuts went into effect yesterday within the framework of emergency regulations. It was ruled that north of the Sea of Galilee water for agriculture would be cut by 15 percent, and by 7 percent south of it. Water for consumption in the cities and in industry in all parts of Israel would be cut by 7 percent. On the Golan Heights, where the reservoirs are completely empty, the cut for agriculture will reach 40 percent.

According to the water czar, Tzemah Yishay, this is just the first cut, while another, larger cut will go into effect in the second half of the month of April through regular authorization processes. Overall this year the economy is short 400 million cubic meters in annual consumption.

This is the second time since the founding of the State that the Water Authority is imposing an emergency cut. The previous time was after the drought of 1986-87.

According to Yishay, agriculture then absorbed the full impact of the cut while the metropolitan public was not cut at all.

In order to force city dwellers to cut down on water this time, new, much higher water prices went into effect yesterday.

The first 8 cubic meters will now cost 1.20 shekels per cubic meter (instead of 96 agorot until now), while the next 7 cubic meters will cost 1.85 shekels per cubic meter (instead of 1.48 for the additional cubic meters last year). Every additional cubic meter will cost 3 shekels instead of 2.40 up till now.

According to the czar, if even those higher prices don't help, then the physical supply to the cities will be cut every day for several hours.

According to the Chairman of the Water Works Committee, Yona Kahane, the biggest "water gluttons" in the municipal sector are private and public dishwashers and ornamental gardens, alongside things like leaky faucets and washing cars with a hose.

#### KUWAIT

##### Debt Reportedly Compelling Banks To Merge

90AE0020A London AL-MAJALLAH  
in Arabic 17 Apr 90 pp 50, 51

[Article by Ghafin Sharif: "Five Kuwaiti Banks Plan To Merge"]

[Text] The Kuwaiti economy and the financial sector in it are passing through a critical period. Outwardly, there seems to be nothing to occasion much worry. Kuwait is the world's richest country in terms of individual income. Although the government is experiencing a deficit in its official budget, local economists see this as purely a theoretical figure.

The government's figures do not include investment income in state revenues. Also excluded from these revenues are financial allocations intended for such projects as the Reserve Fund for Future Generations, which is a successfully managed fund in the country. If we exclude this fund and add the enormous income from foreign investments (estimated at over 3 billion Kuwaiti dinars for the next five years), the budget deficit disappears.

However, the official figures indicate that Kuwait continues to rely excessively on oil revenues. Many economists are worried about this. One of them points out that the oil sector's contribution to the total domestic product exceeded 60 percent and that a 10 percent increase in oil revenues is balanced by a 6.7 percent rise in the total domestic product. Also, the total domestic product in non-oil sectors is influenced by oil revenues, because most of the growth in those sectors is subject to the

influence of government spending. Furthermore, oil revenues represent more than 80 percent of total income and make up 90 percent of the total value of exports.

The Kuwaiti government is not unaware of the existing problems. It has recently finished a complete study of available economic options. It aims at realizing two main goals:

The first is to provide more opportunities for domestic investment and development, for the benefit of local contractors and consequently the exhausted banking sector. To this end, new roads are now being planned and built, and a housing project continues to be implemented in the country.

At the same time, there is talk about a project to build a new oil-driven generating plant in the Subayh area and to introduce needed improvements in Kuwait Airport.

The second goal is to create a better population balance, so that job opportunities will be available for the Kuwaitis themselves. At the present time, the population of Kuwait is about 2 million, but Kuwaiti citizens do not form a large proportion.

The major problem that occupies various social groups and economic circles in Kuwait is the continuing debt problem caused by the collapse of the al-Manakh market more than seven years ago. At that time, the government established a national economic rescue plan known as "The Program To Settle Unsound Debts." Everyone included in this program agreed to free himself of his debts in cooperation with the Central Bank. However, this did not solve the problem of repaying the total amount of debts that were due, the value of which amounted to 2.5 million Kuwaiti dinars (equivalent to \$8.6 billion).

According to official estimates, implementation of the program will take between 10 and 15 years. However, if the Central Bank continues to insist on the repayment of all the guarantees it has advanced to all the banks (except for the National Bank of Kuwait), the banking sector will suffer from the effects of this problem for dozens of years to come. Earlier this year, the government decided to relieve all debtors for an amount not exceeding 250,000 Kuwaiti dinars (\$862,000). The debtor had only to express his agreement by the deadline of 2 February to turn over any guarantee in his possession, no matter how small, and he would be relieved of the full value of the debt. However, most people did not respond to this initiative.

Under "The Program To Settle Unsound Debts," a debtor may keep his residence and a monthly income not less than 1,000 Kuwaiti dinars. Everything beyond that will go to repay the debt. It is now rumored in Kuwait that the government will be forced to remit all debtors up to 1/2 million Kuwaiti dinars. However, an enormous sum of due debts will still remain, since there are six persons who alone are indebted for sums totaling 1.2 billion Kuwaiti dinars (\$4.2 billion).

These are enormous sums by all standards. They do not, however, show the full economic picture, especially the weak points. Opportunities available for banks are few in the domestic market; most banks therefore turn to expansion overseas, with encouragement from the Central Bank. The National Bank of Kuwait is considered very advanced in this area, since a large proportion of its assets (60 percent) is now at work overseas. The bank will try to increase its overseas expansion during the coming year, especially in Southeast Asia and Europe, in preparation for 1992's scheduled European economic integration. For its part, Bayt al-Tamwil al-Kuwayti is carefully investigating financial opportunities compatible with the provisions of Islamic Shari'ah law in certain countries such as Malaysia and Indonesia. Burqan Bank is now in the forefront of banks that finance oil exports by advancing short-term loans to the governments of developing countries. Commercial funding operations are limited domestically, most commercial activity having moved south to Dubayy, not only because of the Gulf war, but also because of slow port operations and Kuwaiti customs procedures. This has discouraged foreigners from using Kuwait as a commercial port for distributing goods in the region. Although there is some financing in the area of real-estate mortgages, the extensive growth field for domestic banking operations is in consumer financing. The apparently uncontrolled growth rate in this particular market is raising concern on the part of the Central Bank.

Many of these loans to individuals amount to 10 times the individual's salary. In some cases, Bayt al-Tamwil al-Kuwayti has made loans amounting to 15 times the person's salary. Under certain circumstances, the Kuwaiti Commercial Bank grants loans of 20,000 Kuwaiti dinars without collateral.

Some estimates indicate that the total of consumer debts owed to the banks now ranges between 450 million and 500 million Kuwaiti dinars, although the population does not exceed 2 million.

Both the great expansion in the area of consumer credit and the recently passed increase in bonuses for all married men working in government service (the country's largest employment sector) are contributing to rising inflation—a phenomenon new to Kuwait. The inflation rate during the last three years ranged between one and two percent; this year it may rise to five or seven percent.

The financial sector clearly needs reform. The governor of the Central Bank, Shaykh Salim 'Abd-al-'Aziz Al Sabah, has proposed that the existence of only four major banking and financial institutions would completely satisfy the needs of a small country such as Kuwait.

While there has been talk in the country since the mid or late seventies about merging some financial institutions, this has now become a new element in the Kuwaiti government's economic thinking. The number of banks

and so-called investment companies operating in Kuwait is indeed excessive. Furthermore, the government has been forced to support the country's other financial institutions to varying degrees because of the collapse of the al-Manakh market and the serious economic decline because of the Iran-Iraq war and the drop in oil prices. The one notable exception is the National Bank of Kuwait, which has remained independent and privately owned.

Apart from this bank, all the other banks (the Kuwaiti Commercial Bank, Burqan Bank, Kuwait and Middle East Bank, the Kuwaiti People's Bank, and the Gulf Bank) are targets for merger. All five of them suffer a deficit and are receiving support from the Central Bank in the form of financial guarantees. The government also owns varying shares in these banks bought through government agencies and various investment companies during the crisis of the al-Manakh market collapse.

Bayt al-Tamwil al-Kuwayti is owned 20 percent by the Finance Ministry, 20 percent by the Justice Ministry, and nine percent by the Ministry of Awqaf and Islamic Affairs. Kuwaiti citizens own the remaining shares. However, the merger is unlikely to include it, given its special character as a financial institution operating in accordance with the provisions of Islamic *shari'ah* law.

Many obstacles must be removed before the merger of the different banks can take place. First, Kuwaiti law must be amended to permit it. Secondly, there is the confusing problem of how to appraise the assets and ordinary shares of the various institutions, particularly in view of the extensive interlocking of shareholding in them.

The Kuwait and Middle East Bank will very shortly become the first bank to free itself of the debt problems that followed the al-Manakh market crisis. Burqan Bank, on the other hand, is encumbered by these debts, many of which will never be recovered. It may be difficult to find a formula acceptable to both sides for appraising these two banks together. The management methods of the two are also very different. If they merge, choosing a new management will require great diplomatic skill.

Another problem is what to name the bank that results from the merger of these two. Although the Kuwait and Middle East Bank is the stronger of the two in terms of its present condition, it has a distinctly English character. Before becoming a fully Kuwaiti bank in 1971, it was known as the British Bank for the Middle East. Burqan Bank has had its Arabic name since its foundation with the emir's approval. It is virtually certain that these two banks will merge, in spite of existing difficulties. One of the strong arguments against the mergers in the Kuwaiti context is that they will lead to an increase in unemployment and to fewer training opportunities available for Kuwaiti citizens. Thus, Kuwaiti authorities now face a difficult decision. However, they must soon make their decision for the good of the country's economy.

## LIBYA

### Fundamentalists Reported Fleeing Country

90P40054 London *AL-DUSTUR* in Arabic  
21 May 90 p 7

[Text] Libyan circles have stated that a number of Libyan fundamentalists have tried in the last few weeks to get out of Libya and into the Arab Maghreb countries. These circles indicated that the Libyan authorities may have conducted a campaign of arrests among them.

## MAURITANIA

### Conference Examines Development of Water Resources

90AA0136B Nouakchott *CHAAB*  
in French 7 May 90 pp 1, 7

[Article by Diagana Babouna: "The River, the Sea, and Groundwater Tables"]

[Text] With the large development projects, electrification of the country's 13 big cities, and development of the Senegal River valley under way, knowledge of potential water resources and the question of how to manage them become especially important.

This underscores the interest of the Higher Institute of Science's (ISS) seminar on the topic. The exchange of ideas is sure to have a positive effect on the problems of desertification and poor distribution of water resources, as well as the question of food security in our country.

The seminar is continuing into its third day. Yesterday morning participants heard a report on hydrology applied to dimensioning of [hydraulic] structures in Mauritania. In between sessions, the ISS director Mr. Ahmedou Ould Hamed gave an interview to the AMI [Mauritanian Information Agency?] in which he outlined the objectives of the seminar.

Mr. Ahmedou Ould Hamed began by pointing out that the ISS was conceived as a training and research institute.

This research, he said, must be applied to the country's economic and social development. With regard to that, the ISS director stressed, no topic could be more appropriate than the topic of water, inasmuch as the latter is a rare commodity, vital for the development of our country and notably for its self-sufficiency in food. That is why, he remarked, ISS has a water management track, so that students can opt for this area in which research in our country is still embryonic.

Speaking of our country's potential water sources, the ISS director indicated that although Mauritania is a desert country, it has a river, the sea, and a few groundwater tables. These represent considerable water potential. The problem, he went on to say, lies in the poor distribution of these waters: It is impossible to use the

river water beyond a few kilometers of where it flows, even though the river dams raise some interesting prospects.

As for the groundwater tables, they are often very deep, sometimes as much as 90 meters from the surface, and their exploitation requires costly equipment.

### **Agricultural Plan Objectives Discussed**

*90AA0136A Nouakchott CHAAB in French  
7 May 90 pp 1, 7*

[Article by Kane Selly: "Agents' Planning Looked At"]

[Text] The fifth seminar on the planning of the 1990-91 agricultural campaign is continuing at the National School of Administration.

Everyone involved in agricultural production participates in this program planning, which is the outcome of discussions between regional agricultural inspectors, responsible for overseeing more than three-quarters of agricultural land, and companies and development projects of the Ministry of Rural Development and the private sector.

The first objective programs plan, the first phase of which was completed in 1989, was drawn up in 1986 with the support of the United Nations Development Program (UNDP).

The second phase, which began 1 April, 1989, covers seven of the country's agricultural wilayas and costs 1,715,390 dollars. Its aims include implementing and perfecting a unified approach to agricultural extension based on peasant participation and management, maintaining a system for training agricultural agents and farmers, and providing methodological support to public or private rural development organizations.

Within this framework, seminar participants looked at filling out of planning cards by inspectors. This chiefly involves projected assignments of extension agents and the impact goals of the upcoming campaign.

These goals concern production of cereals, vegetables, phoeniciculture [fish farming?], identification of neighboring areas targeted for programs, training and extension work, plot planning, anticericket spraying, protection of flora (creation of village committees), and, lastly, the schedule of activities for the 1990-91 campaign.

### **Employment, Training Survey Under Way**

*90AA0136C Nouakchott CHAAB in French  
7 May 90 p 7*

[Text] Agents of the National Office of Statistics responsible for surveying employment and training in public and private companies continued their information-gathering work yesterday morning in Nouakchott and Nouadhibou.

According to the National Office of Statistics, 150 businesses have already been surveyed and the operation will be extended for an additional five days to allow investigators to collect the maximum amount of data and to contact the greatest number of companies.

On this occasion, Mr. Mohamed Abdellahi Ould Mohamed Lemine, general director of the National Office of Statistics, has asked company directors who have not yet been reached to make the investigators' task easier by providing them with all the information they will need during the tally.

Mr. Mohamed Abdellahi Ould Mohamed Lemine then emphasized that the future of our public and private companies and the country's socioeconomic development depended on the smooth running of the survey.

It should be noted that the survey, organized for the benefit of the Department of Technical Education within the Ministry of National Education, is being financed by the Arab Organization for Culture, Education, and Sciences (Alesco).

### **OMAN**

#### **Consultative Assembly Head on Foreign Affairs**

*90AE0041A London AL-HAWADITH  
in Arabic 20 Apr 90 p 30*

[Interview with Shaykh 'Abdallah Bin-'Ali al-Qutaybi, head of Consultative Assembly, by Usamah in Cairo: "Our Efforts To Achieve Peace Between Iraq and Iran Continue"; first paragraph is AL-HAWADITH introduction; date not given]

[Excerpts] Shaykh 'Abdallah Bin-'Ali al-Qutaybi, head of Oman's Consultative Assembly, recently visited Cairo. AL-HAWADITH met with him and interviewed him on a number of issues related to the Consultative Assembly's role in shaping economic and social life in Oman, the value of the Consultative Assembly experiment in shaping economic and social life in Oman, cooperation between the assembly and similar bodies in the Gulf Cooperation Council [GCC] countries, as well as other Arab issues, such as Oman's role in the dialogue between the Gulf and Europe, the Iraq-Iran situation, and Arab groupings.

[AL-HAWADITH] How do you evaluate your visit to Cairo, particularly since it witnessed intensive talks with a number of Egyptian officials? How do you see the future of Egyptian-Omani relations?

[Al-Qutaybi] My visit to Cairo came at the generous invitation of Dr Mustafa Kamal Hilmi, head of the Shura Council of the Arab Republic of Egypt. It was an excellent opportunity for me and the members of the accompanying delegation to get a close-up view of the experiment of cultural development in various areas covering the affairs of life generally. We also studied and examined the role of the Egyptian Consultative

Assembly in shaping political and parliamentary life in Egypt. With our brothers in the Consultative Assembly, we reviewed subjects of interest to the two assemblies. There was agreement in points of view and on exchanging visits and expertise, so as to strengthen cooperation between the two assemblies as an aspect of cooperation between the two countries—cooperation that has included the political, economic, trade, and educational areas because of the policy whose principles have been firmly established by His Highness Qabus Bin-Sa'id and President Muhammad Husni Mubarak. Certainly, the special close relations linking the two assemblies affect and positively influence the course of relations between the two countries, which have already taken steps that inspire pride. We believe these relations will become even closer, stronger, and more excellent with time, especially in the next decade. [passage omitted]

[AL-HAWADITH] What about cooperation between the Omani Consultative Assembly and similar assemblies in the GCC countries?

[Al-Qutaybi] There is indeed coordination and fruitful cooperation with the GCC countries that have similar experiments, particularly the United Arab Emirates' [UAE] National Council and Qatar's Consultative Assembly.

[AL-HAWADITH] Perhaps one of the clear features of activity in Oman is the political and economic stability. Oman has continued to have outstanding economic and development experience. Could we learn the reasons for the excellence and success of the experiment?

[Al-Qutaybi] The foundation of the development experiment in Oman is planning. The Omani government has already been able to implement three five-year plans with great success and is on the threshold of a fourth five-year plan. These plans are programmed after studying the country's available resources, which are then distributed among the development sectors in Oman, each according to its needs. After each ministry receives its budgetary allotment, it begins to implement its projects, whether they be in the field of harbors, educational methods, or other areas of life. The Omani development experiment has indeed succeeded to a great extent, and we thank God for this.

[AL-HAWADITH] Do you think the Arab cooperation councils can contribute to promoting areas of Arab economic and political development?

[Al-Qutaybi] Let me tell you that the Arab cooperation councils as such are groups that may facilitate ways of cooperation between the countries of each existing council—they are close to each other in political, social, and economic circumstances—and, on the other hand, between the three councils in the framework of the Arab League. Seen thus, they are a step forward. Let me point out that these councils must be tributaries that

strengthen the role and work of the league and that strengthen cooperation and linkage in all areas between Arab states.

[AL-HAWADITH] In light of Oman's chairmanship of the current GCC session, how can one envisage a way out of the state of no-peace no-war between Iraq and Iran? Is there a Gulf role in this area?

[Al-Qutaybi] Oman has had a prominent role and has made outstanding efforts in this area, based on full coordination between the GCC countries. These efforts were visible in an attempt to stop the war between the two Muslim neighbors, Iraq and Iran. Let me point out that all the efforts that were exerted were tributaries to the UN secretary general's efforts to bring peace to the region. Efforts continue to reach this state. Basically, the efforts of the GCC countries are a supporting role for the effort of the UN secretary general.

[AL-HAWADITH] Muscat recently witnessed a joint meeting of GCC foreign ministers and representatives of the European community. This step is the first clear reaction to recent international changes and the united Europe of 1992. How do you see this move that Oman hosted?

[Al-Qutaybi] Let me point out that the meeting held in Muscat during recent weeks was one of the first accomplishments of the new session in which [Oman] chairs the GCC. Important results have emerged, and these will have a good effect in the near future. Oman's move is consistent with Oman's well-known role in striving to bring about collective agreement between the countries of the world on the one hand and the Arab and Gulf countries on the other hand. It is a clear embodiment of the trust and prominent political role that Oman enjoys in the eyes of the European Community. We hope and are determined that this meeting shall achieve important political and economic accomplishments that will give high credibility to the fruitful cooperation between the two groups.

#### Prospects for Stock Market Discussed

90AE0041B London *AL-MAJALLAH*  
in Arabic 17 Apr 90 p 49

[Interview with Mahmud Ibn-'Ali al-Jarawani, general director of Muscat stock market, by 'Isam Hashish in Muscat: "Volume of Trade on Muscat Stock Market Doubles—12 Million Omani Riyals in 9 Months"; date not given; first three paragraphs are *AL-MAJALLAH* introduction]

[Text] Total trade on the Muscat stock market reached 12 million Omani riyals three months before the end of the market's first year. This is double the figure predicted for trade in the market for a full year.

In an interview with *AL-MAJALLAH* magazine, Mahmud al-Jarawani, general director of the Muscat stock market, said that the market's success derives from

a large number of factors present in the market since its inception. These factors have made the market a useful tool to stimulate and develop the Omani economy and to collect domestic savings to found new public stock companies with the funds of local investors.

He added that since the market's inception, eight new Omani joint-stock companies have been added with a total capital of 25 million Omani riyals. The number of stockholders in them has reached about 33,000. In addition, many closed companies or limited-liability corporations that need more money to develop their activities have begun to open to the public and ask it to participate in their funds. This is a new phenomenon that points to the changes that the Muscat stock market has made in economic activity.

[AL-MAJALLAH] In your estimation, what is the main factor in the achievement of a trading figure of 12 million Omani riyals in 9 months, even though predictions indicated that the market would realize 6 million riyals in its first year, and that that would be a dazzling success?

[al-Jarawani] Citizens and investors are aware of the market's benefit and its importance on the individual and national levels—that, in my estimate, is the factor that I should commend here. The Muscat stock market provided all the laws, regulations, and tools that would make it a successful market. Laws and rules were issued regulating the market's activity, and these harmonized with the laws encouraging investment in the sultanate. A suitable number of brokerage companies were licensed and accredited within the market on condition that their employees be persons with experience and ability. Next, dealing in the secondary and the parallel market was regulated. All that remained was for investors to interact with these tools so as to bring about regular domestic flows of money directed toward investment in national financial assets. These flows constitute an important financial tributary to development. Thanks be to God that this was achieved from the beginning and that the market has achieved uninterrupted successes.

[AL-MAJALLAH] Haven't the serious crises occurring from year to year in stock markets left their effect on the Muscat market?

[al-Jarawani] The sultanate's faith in the importance of creating an orderly market is deeper and greater than the surrounding climate of pessimism that prevailed during the period of preparation for the Muscat market. We took the precautions that were possible, ones that would not hamper the market's growth and development and at the same time would insulate the trading atmosphere on the Muscat stock market from any disaster or collapse of the international markets. We relied on a gradual, phased creation and development of the market. We learned from the successful experiences of developing countries where stock markets have made a positive

contribution to funding projects and to establishing virtually constant sources of funding for economic development activities.

[AL-MAJALLAH] Did a conflict occur between the Muscat stock market law and the actual state of affairs when the law began to be applied, necessitating the introduction of changes in the law?

[al-Jarawani] A good feature of the Muscat stock market law is that it was made comprehensive and clear, so as to cover the various aspects of activity. Therefore, when it was applied in practice, we felt no deficiency in its coverage of actual cases. The law paid attention to two aspects. First, it regulated securities transactions in what is known as the primary market: the market where securities are issued and offered for bidding and where coverage of them is undertaken. In this market, the public is invited to subscribe to these securities by gathering their savings and pouring them into these instruments. The other aspect is the secondary market—the market after issuance or subscription, when the stock has become the investor's private property after the completion of the procedures for allotment. Each investor can circulate the stock. Investors may buy or sell to each other through the public market mechanism that creates fair pricing for all parties to the contract. This market provides the liquidity desired in the security, thus making the secondary market a market that constantly attracts more money directed toward investment. In other words, the success and health of the secondary market and the strengthening of confidence in it are basic supports for the success of the primary market.

#### Trading Time

[AL-MAJALLAH] Has the increase in permitted trading time on the market had an influence in increasing the volume of trade? Could this volume be increased by a further increase in trading time?

[al-Jarawani] Initially, the market used to open its doors for one hour—from 10 to 11 AM—to sell and buy shares on official business days in the trading hall. However, it became apparent that many businessmen are engaged during the morning hours for various reasons. We therefore decided to extend business hours for an additional hour in the evening—from 5 to 6 PM—twice a week. The idea brought positive results. Trading volume did indeed increase. However, increasing the trading period depends on many circumstances; it is not simply a matter of allowing a period of time for trading.

#### Brokerage Companies

[AL-MAJALLAH] How can someone dealing with the market choose a brokerage company from the eight market-accredited brokerage and portfolio management companies?

[al-Jarawani] As one of its policies, the market has approved the general principal of a set percentage that each broker may charge for stock trading operations for

others. The broker may not charge anything in excess of the fixed commission; he may not give any discount, or return any part of the commission to the customer. This is so that there may be equality between all who deal in the market and because of the effect such a discount might have on the competition between brokers, often ending in the bankruptcy of the small broker. This method also protects the small customer who does not have the ability to negotiate and get a discount. Thus, the one basis left for choosing between brokerage companies depends on the services they offer, their good reputation, and their ability to serve their investor customers.

#### No Speculation

[AL-MAJALLAH] Perhaps one of the most important steps taken by the Muscat stock market to stop wild speculation was setting a fixed margin for the fall or rise of the price of shares on a single day. How do you see the advantage of such a limit for stimulating and developing the Omani market?

[al-Jarawani] We did indeed make this decision to stop sharp, short-term speculation and to give small and large traders an opportunity to buy and sell shares in the context of realistic price figures. The market's managing board therefore thought it wise to limit the percentage allowed as a maximum increase or decrease in share prices during a single session to 10 percent of the opening price. The goal was to limit the possibilities for huge losses or high profits from a single day, thereby creating price stability over the short and middle term. We will follow this procedure while the market deepens by increasing the number of issues registered in it and broadening the extension of ownership to include the greatest possible number of Omani investors.

### SUDAN

#### Al-Turabi Reportedly Makes Diplomatic Trip

90P40044 London *AL-DUSTUR* in Arabic  
14 May 90 p 7

[Text] Official circles in Sudan are keeping quiet about "news" of the trip which Dr. Hasan al-Turabi, general secretary of the National Islamic Front, is now making to Paris and Algiers. AL-DUSTUR has been informed that the goal of this trip is to create an escape from the isolation suffered by the Khartoum government.

### WESTERN SAHARA

#### Increased Regional Development Anticipated

90AA0142A London *AL-MAJALLAH*  
in Arabic 17 Apr 90 pp 28-29

[Article: "Report From Inside [Western] Sahara: Has the 'War of the Sands' Ended?"]

[Text] As diplomatic efforts intensify to find a just and final peaceful solution to the 15-year-old [Western]

Sahara problem, the Moroccan government continues to invest in the Saharan provinces in order to break their isolation from the remaining Moroccan provinces and develop them socially and economically. AL-MAJALLAH visited the Saharan provinces and brought back the following report.

"The important thing is the Moroccan citizen's confidence in this land." This statement was made by one of the governors of the four provinces that comprise [Western] Sahara, which has been disputed for more than 15 years between Morocco and the Polisario Front. In the four provinces we visited—Laayoune, Smara, Boujdour, and Dakhla—life seemed normal, with the process of economic development continuing in all economic and social sectors.

At a time when Morocco appears to have settled the Sahara war in its favor in the military arena, Moroccans are confident that they will not lose the diplomatic battle. They are therefore devoting great attention to confronting the challenge of peace, not only in the face of their opponents, but also in the face of difficult natural conditions in the Saharan provinces, by reabsorbing these provinces so that they reach the development level of the other Moroccan provinces. Over the last 10 years, Morocco has earmarked about 40 percent of state investments for the southern Moroccan provinces, including the Sahara provinces. Investments, either completed or still in process of completion, have reached more than 8.6 billion Moroccan dirhams (about \$1 billion), covering all economic and social sectors.

Anyone who visited the Saharan provinces 15 years ago will today perceive the development they have witnessed. Since the evacuation of the last Spanish soldier from the former Spanish colony on 26 April 1976, Morocco has embarked on a decisive battle on two fronts: military and developmental. It allocated \$1 billion to developing the Saharan provinces, at a time when the government budget was experiencing major difficulties because of the drought and high oil prices.

Residents of the region believe the Sahara struggle has ended and therefore talk only about the projects that are expected to be completed in their cities. A native of the region, Khali Hanna Ould Errachid, who holds the post of minister of state for Saharan development and heads the municipal council of Laayoune, one of the major cities of [Western] Sahara, says that the government is shouldering responsibility for the development of the Saharan provinces by exempting them from taxes and customs duties. He adds, "The Moroccan people deserve credit for volunteering to support the Sahara." Since 1976, the Moroccan government has regularly levied a symbolic tax on its citizens every three months for the development of the Saharan provinces.

One of the deputies for Laayoune province points out that the income level of citizens in the Sahara has become high. One of the governors of the Saharan

provinces said that the budget for investment expenditures in the Sahara far exceeds the means of the region.

Saharans in the provinces under Moroccan administration benefit from a large number of investments to obtain loans. This has caused the Saharan provinces to be marked by great economic development. Sidi Laalem, a prominent Saharan figure, parliamentary deputy, and head of the municipal council of Smara, Western Sahara's second largest city, says that the inhabitants of the Sahara, who under Spanish colonial rule were mere nomads living a Bedouin existence, now enjoy a better life. They are being provided with means of comfort, recreation, and medical treatment that they never knew previously. He adds that inhabitants of the Sahara now hold high positions in the administration and private sector and direct the affairs of their provinces themselves.

The Moroccan government now aims at breaking the isolation from which the Saharan provinces long suffered under Spanish colonialism. A new highway network has been extended which will help the inhabitants move freely and link the Saharan provinces with the northern Moroccan provinces. The paved network linking Saharan cities and reaching the Morocco-Mauritania border is now about 1,800 km long, and 4,800 km are planned for the year 2000.

#### Fish Canning Plants

Moroccan authorities have built Laayoune Airport, which the king of Morocco dedicated in 1985. It is now the second largest airport in Morocco, following Casablanca Airport. On the Saharan provinces' coasts, which are over 100 [as in source] kilometers in length, there are several ports, some already completed, and some on the way to completion. They are equipped to receive huge ships. Factories to can fish for export have been built in some of them. Although the coast has enormous fish resources, only 10 percent of them are being exploited now.

Until 1974, the number of students in the provinces of the region did not exceed 920. There are now over 11,000. During the 10 years from 1976-1986, Morocco was able to build 140 classrooms for elementary instruction, in addition to preparatory and secondary schools and an institute for applied technology in Laayoune. In the housing area, the Moroccan authorities have built about 16,000 housing units in a period of 10 years. Since 1976, a program to combat sheet metal towns has been implemented and importance has been attached to the architecture for building cities, so that this architecture will suit the area's climate, environmental conditions, and local traditions.

In Laayoune alone there are now seven luxury hotels. In all the cities of the Sahara—Laayoune, Smara, Boujdour, and Dakhla—there are now hospitals, some of which are furnished with advanced equipment. A sports arena capable of accommodating 35,000 spectators has been built in Laayoune. All population centers have been

supplied with drinking water, and studies are being made regarding drilling for ground water to strengthen the water network in the Saharan provinces.

On the military level, everyone believes that the "war of the sands" has ended. According to the ruler of Morocco, King Hassan II, the problem has shrunk to the size of "a grain of sand." Nevertheless, it is still a source of worry for Moroccan officials. Over 15 years ago, regional parties and Franco Spain stood behind Polisario. Until the beginning of the eighties, everyone thought Polisario would be able to realize its goals. Morocco, however, was subsequently able to regain control and take the initiative, especially in the military field. Today, Morocco oversees more than three-quarters of [Western] Sahara, after Mauritania in 1979 gave up Oued-ed-Dahab province, which had been subject to its administration according to the Madrid agreement.

Since 1982, when Moroccan forces in the Sahara began to follow a strategy of "security berms"—sand barriers surrounding all of Western Sahara and extending for 2,500 km, reinforced by mine fields, and equipped with the most modern electronic surveillance equipment—the number of attacks launched by Polisario fighters has shrunk. There are now about 165,000 Moroccan soldiers in the Sahara. Some circles estimate Morocco's yearly losses in the Sahara for defense alone at about \$1.4 billion. According to a Belgian research institute, Morocco spent \$774 million on military efforts in the Sahara in 1987. According to statistics of the Brussels-based Institute for Peace Information, Morocco's military expenses amounted to \$673 million in 1983, \$638 million in 1984, \$627 million in 1985, and \$740 million in 1986. In 1987, Morocco held third place among African nations in terms of the importance of military expenditures.

#### War of Attrition

Polisario believes that by imposing a war of attrition on Morocco, it will be able to force Morocco to yield to the conditions it continues to set for commencing implementation of the UN secretary general's plan to find a peaceful settlement to the problem by holding a plebiscite to determine the region's destiny.

However, Morocco's military front, contrary to Polisario's predictions, has in recent years seemed more cohesive, thwarting a number of repeated attacks launched by the remaining Polisario fighters at the end of last year. The Moroccans say that the war of attrition that the leaders of the front wanted to impose on Morocco also was imposed with rigor on the Polisario camps in Tindouf, so that many of the front's leading members fled and recently returned to Morocco.

The Polisario returnees, who include men who held sensitive leadership positions within the front, say that the front's present leaders are holding back many Saharans who come from the provinces of the old Spanish colony. They add that these people, who are

living in miserable conditions in the Tindouf camps, are ready to return to their country, Morocco, if they are given the opportunity.

One of the governors of the Saharan provinces, Ghailani Dlimi, said that he challenges Polisario to give the residents of the camps passports and allow them freedom to choose, so that they can express their will with complete freedom. The Polisario returnees predict a great worsening in the internal situation in the Tindouf camps, where the front's greatest concentration is located. For Omar Hadrami, one of Polisario's founders who recently returned to Morocco, the war of the sands has ended, and Polisario should allow those being held back to return to Morocco. He concludes that the front is no longer able to retake the initiative in the military field because of the reduction in the quantity of equipment formerly available to the front through foreign aid.

Most observers think the present year will be decisive for the future of the Saharan conflict. Last month, Johannes Manz, the UN secretary general's special representative, made a tour of the nations in the region involved in the struggle. This tour created an encouraging atmosphere for implementation of the United Nations plan agreed to by Morocco and the Polisario Front in 1988 and was followed by a visit of UN Secretary General Javier Perez de Cuellar to the region to ascertain the viewpoints of the parties directly or indirectly involved. Despite the obscurity surrounding the secretary general's latest visit, it will undoubtedly be decisive for the organization of the plebiscite to determine [the region's] destiny.

Moroccans say they are not afraid of the plebiscite. They believe its result will be in their favor. They consider Polisario's demand to hold direct negotiations with Morocco to be only a kind of delay to evade this plebiscite.

## AFGHANISTAN

## AL-HURRIYAH Reports on Abortive Tanai Coup

## Kabul Observations

90AS0040A Nicosia AL-HURRIYAH  
in Arabic 15 Apr 90 pp 35-39

[Article by Jum'ah al-Halifi: "AL-HURRIYAH in Kabul; Mujahidin Missiles Atop God's Houses; Story of Shah-nawaz Tanai's Coup; Pilots Let Him Down and He Fled in Ambulance; 15 Pilots and Five Generals in Company of Absconding Minister of Defense"]

[Text] Kabul—On the plane from Delhi to Kabul, one is inundated by a feeling that one is going to a country living in extreme stability and reassurance. In contrast with the reality, this is how things seem to be when one sees the plane passengers, most of whom are Afghan people, raising a din with their jokes and their laughter and blocking the aisles with bags of Indian spices and with the toys they have brought from Delhi or from the Arab Gulf capitals. I asked an Afghan passenger who sat next to me and who spoke Arabic about the conditions in his country after Defense Minister Shahnawaz Tanai's coup. He answered with a gesture which I could not understand and resumed eating the breakfast the stewardess had just served him with evident relish. But I concluded from my Afghan neighbor's gesture that he is not very interested in what is happening. This gesture of indifference, which I later saw in Kabul repeatedly on the faces of the Afghan people, in their actions, and in their total preoccupation with a hard and difficult life, is in fact more of a way of life than it is a flaw of character.

It was noon when an explosion resounded near the building in which I stayed in Microrayan Quarter, which is an area of residential apartment buildings constructed by the Soviets for their experts and then offered as a gift to the Afghan people upon the Soviet withdrawal. My host, a Palestinian student studying medicine in Afghanistan, told me: This is the third missile to go off today. I rushed to the veranda. The missile's black smoke, mixed with dust, was rising to the right of our building. I looked at the row of buildings opposite us and I was amazed by the scene. The children were still carrying on with their games and their squabbles, even though the missile went off at a distance of only several hundred meters from them. I asked my host with amazement: What is this? He answered coolly: They have become bored with the occurrence which has become a part of their daily life. They do not care. Perhaps the children are indifferent, but look at the next building to your left. I turned. A woman was sitting on a window sill wiping the window glass. I looked at the other buildings. Nobody, other than myself and my host, was looking at the place where the missile had landed. I said to my host impatiently: But there may be wounded...casualties.

He again responded coolly: People have learned not to rush when a missile lands. A massacre occurred sometime ago and they have learned from it. A missile landed,

also at noon. The area was crowded with vendors, shoppers, and people walking around. They rushed to rescue the victims, but those who rushed fell victim to another missile which landed in the same spot a few minutes later. Others rushed to help these victims and the same thing happened to them. Four missiles fell on the same place, each separated from the other by a few minutes. Thus, tens were killed and hundreds wounded in the area, called Deh Afghanan and located in the center of the city.

Our plane landed at Kabul Airport at 1200 on 13 March. I had armed myself with a heavy overcoat in response to the advice of the chief editor who warned me of the cold and the snow which covers Kabul at this time of the year. But I was surprised by a hot summer sun under which one can wear nothing. I told myself: Comrade Tawfiq Talhami might be right. His information on Afghanistan's weather dates back to eight years ago when he visited it during Babrak Karmal's administration. Comrade Talhami has not taken into account the rapid changes the world is witnessing, changes which include not only politics, parties, regimes, and leaderships, but also the weather. On our way from the plane to the airport terminal—a distance which we crossed on foot because there are no vehicles to transport the passengers from the planes to that terminal which looks more like a long military dormitory than an international airport terminal—a giant airliner took off and I stopped to watch that simultaneously thunderous and graceful motion, which always makes me ponder man's great and creative capabilities. As soon as the plane rose above the ridge of the mountains engulfing the city, it began to fire what looked like burning lights, which quickly died out and disappeared, leaving behind a line of white smoke. I thought at the time that something had happened to the plane. But my Afghan comrade who spoke Arabic noticed that I was engrossed in following the plane and said: These are heat balloons which the planes fire upon takeoff and landing to avoid being hit by the Stinger missiles which the rebels fire from behind the mountains. Was our plane likely to face such an evil fate? He reassured me, saying: The rebels do not usually take aim against all planes. They lie in wait for the Soviet Aeroflot planes in particular because they consider them military planes that carry military aid and equipment to Kabul.

This was the first indication that the situation in Kabul is different from what was implied by the clamor and the joking of the Afghan passengers who were with me on the plane. I asked my Afghan colleague: But how do the rebels distinguish Aeroflot planes from the other civilian planes? He said: By the red sign painted at the tail of the plane. I said: This is good. But I then quickly realized my misstated response and added: I mean that it is good that they do not take aim against all civilian planes, else it would be catastrophic. Correcting my misstatement, he said: There is nothing good in what these people do. At the same time, they indiscriminately fire their missiles at Kabul daily without knowing where these missiles will land. They often land in popular markets and in crowded

places. At times, the missiles even fall on the heads of congregators in mosques. Imagine, said my Afghan colleague, that the Muslim mujahidin shell their own mosques and places of prayer! I asked him: Do these people hold positions close to Kabul from which to fire their missiles? He answered: From behind the mountains, pointing his finger toward the mountains which could be reached on foot in one-half of an hour. I said: But these are very close to the capital. How...? He interrupted me to say: They come at certain times, mostly at night. They install their missiles, time them, and then go away. On the following day, most often at noon time, these blind missiles go off, falling on the heads of innocent people.

We had ordered lunch. My Palestinian host said that it was one of the popular, but tasty, dishes served by the Afghanistor Restaurant in the center of the city. It is, according to my host, the only restaurant in Kabul where you can eat your lunch without fearing its consequences to your stomach. My host was still talking when another explosion resounded, interrupting his conversation and killing my appetite. We turned and saw smoke rising from a nearby hill west of the city. The waiter brought the lunch dishes smiling and mumbling. I asked my host: What is he saying? He responded: He is thanking God that the missile fell far from the restaurant. A few days later, Kabul radio broadcast a painful report about a public bus being hit by a missile, saying that the incident resulted in tens being killed and wounded. An Afghan friend who works at Kabul Airport said that another missile hit a Soviet civilian plane on the same day but that, fortunately, it had no passengers aboard.

#### Kabul's Image

The signs of the civil war, which has gone past its 10th year, and what has been added as a consequence of Defense Minister Shahnawaz Tanai's coup in the early days of last March, were evident everywhere: at the airport, on the way to the city, and in the city itself. The signs of poverty and misery were also starkly evident in the homes and the streets and on the faces of the Afghan people I encountered on my way to the Palestinian Embassy premises. I asked the same Afghan colleague, while we were still at the outer gate of the airport: How far is the city from here? He said, trying to hide a sarcastic smile: We are now in the city center. Amazed, I said: Is this possible? Is this Kabul, the capital of Afghanistan? Mud houses and dirt roads? While looking closely at Kabul's markets a few days later, I was reminded of Baghdad's poorest markets, but nearly 30 years ago. Those markets were exactly the same: Colorless fruits and vegetables spread on hemp mats with squadrons of flies buzzing around. Between one stall and another, one finds a narrow and crooked lane for pedestrians and shoppers—a lane interspersed every meter by little stagnant swamps in which the foot sinks halfway to the knee. While touring Kabul's markets, its mud houses, and its dusty streets, I kept asking: What are these fellows fighting for? My Afghan colleague said to me: What you see is not a reflection of all of Kabul. There are clean

areas with modern buildings. The embassies area, called the Wazir Akbar Khan area, has elegant villas, for example, and it used to be inhabited by the capital's wealthy. I asked: And where have these wealthy people gone? He said: They fled after the revolution, fearing for their interests and wealth from the communists. But imagine, added my Afghan colleague, it is no longer only the wealthy who flee the country but also the poor! I asked him: But why the poor? He responded: The war has gone on for too long. Here it is entering its 11th year without any sign of its ending on the horizon, despite the "reconciliation and peace" policy declared by the Kabul government years ago. On top of this war, you can see how the comrades settle their disputes! The situation in our country, said my Afghan colleague, is similar in many respects to the situation you have in Lebanon. It is a civil war which has its political character and its tribal character as well. This war developed. The Soviets entered and it turned into a regional war and then into an international war. You are undoubtedly aware of the constant loss of security and stability, of the ceaseless economic disintegration, and of the decline of social life that accompany such prolonged wars. All this has motivated the Afghan citizen, and the Afghan youth in particular, to renounce everything. There is nothing to keep them or to tempt them to continue to live under such harsh circumstances, especially those who do not understand the nature or dimensions of the ongoing conflict, or those who believe that whatever is on the soil of their poor country does not merit this bloody conflict. This is why such a youth always chooses to flee the country when the time for his conscription arrives. He leaves his country for any place where missiles do not fall every day and where the threat of death is not present every moment. To make my Afghan colleague go on talking, I asked him: But doesn't such a citizen—this youth, for example—know who supports the mujahidin and who supplies them with the missiles which they fire on Kabul, and why? He said: The citizen certainly knows. He is well aware of the parties to the conflict. But this no longer means anything to him after 10 years of war, misery, need, and horror. There are some people, including partisans and officials, who will tell you frankly that it makes no difference to them now who heads the authority in Kabul, be it the People's Party, the mujahidin, or even the red devil himself. What is important to them is that the war be ended and that missiles stop falling on their heads, homes, and interests. Can you imagine what it means to have missiles falling on the city daily for more than two years and at the rate of more than 40 missiles daily at times! This is, of course, in the capital, Kabul, said my Afghan colleague. Can you imagine the condition of the citizens who live in the hot areas that are subjected not only to the Afghan mujahidin's missiles, but also to the missiles that are fired from Kabul itself at times, i.e. government missiles? Did you hear President Najibullah's speech in the wake of the latest coup, asked my Afghan colleague? He went on to add: In this speech, the president underlined Defense Minister Shahnawaz Tanai's responsibility for the tragic incidents which had taken place at Qandahar. Do you

know what these incidents were? I said: No, I don't. He said: Nearly a year ago, the Afghan mujahidin tried to occupy the city of Qandahar in southern Afghanistan. Ferocious battles broke out between them and the government forces. When Shahnawaz realized that his forces could not settle the battle in their favor, he ordered the government forces to withdraw. Then his planes started to pour their infernal fire on the city, without any distinction between a rebel mujahid and an innocent citizen. At that time, the people turned to heaven, their only refuge, to rescue them from this inferno.

#### Under Palestine's Flag

The car carrying us stopped at the Palestinian Embassy's gate, which was protected by sandbags and guarded by several dusty-faced and dusty-clothed Afghan soldiers. I told myself that this was another sign of the war climate in Kabul. The embassy workers received me with astonishment, as if I came from heaven. What brings you? None of them asked me this question, but I read it in their faces and in the queries about the circumstances and causes of my arrival in Afghanistan at this particular time. Only five days had passed since Shahnawaz Tanai's coup and the circumstances were still extremely vague and confused. Nobody will volunteer to talk about anything and you will not get any press interviews easily. You have to be patient. This was the first piece of advice given to me by Comrade Abu-Khalil, the embassy charge d'affaires. But to lighten the severity of the reception, he said: We will render you every possible assistance because you are entitled to it and because it is our duty toward a Palestinian magazine. To further reassure me, Abu-Khalil added jokingly: I will wipe the floor with whoever fails to assist you complete your mission after this long trip. The truth is that my press mission in Kabul was not at all an easy one. I arrived in Kabul while it was still living in the coup climate and when nobody, especially among the party and state officials, could venture to talk about anything. Everybody was waiting for the outcome of the swift measures adopted by President Najibullah to arrange the post-coup conditions. A friend from the Arab diplomatic corps told me: It is not easy for any official, excluding President Najibullah, to make press statements these days. To them, the time is not a time of statements. Everybody is waiting and guessing where matters will go, especially since rumors to the effect that the ex-minister of defense is still in Afghanistan, even close to Kabul, fill the country. Moreover, arrest campaigns among the party and government circles continue. I am telling you briefly, added my Arab friend, that nobody knows these days if he will be arrested or promoted!

In Kabul's streets and on its dirt sidewalks, one could fill bags with empty bullet cartridges, mixed with cigarette butts and Pepsi Cola cans. These are the signs and marks of Shahnawaz Tanai's coup, said my Palestinian host, adding: Do you know the size of the human losses suffered as a result of the few coup hours, i.e. from 1300 on 6 March (or 16 Hut by the Afghan calendar) till 0900

on the following morning? I said: I only know the declared official figures, namely about 95 killed and 150 wounded. My host laughed and, shaking his hand, said: The lowest and most neutral estimates say that the casualties amount to manifold these figures. Moreover, President Najibullah has announced the number of casualties among the civilians only, and these casualties are within the limits you have mentioned. But the catastrophe occurred among the military ranks.

Only God helped us. This is what the people in Kabul said repeatedly and what President Najibullah reiterated at all the meetings he held with the tribal representatives to explain the coup circumstances—meetings which were presented on television daily. Only God helped us because Kabul was about to be turned into a blood bath on this ominous day of the month of Hut. We found 1,200 bombs, each weighting half a ton, loaded into the aircraft that were ready to take off from Bagram Airport in the north to strike Kabul. Najibullah added at his meeting with the Pashtun tribes to which both he and Shahnawaz Tanai belong: It was Shahnawaz' plan to destroy Kabul so that he could become ruler over a mountain of skulls. The rebels have turned our country's green into ashes with their missiles and we don't know what Shahnawaz Tanai sought to turn these ashes into! I received Shahnawaz Tanai at my home a few days before his coup, added Najibullah at the same meeting. My wife had pains in her left leg and yet she prepared the meal for us. I told Tanai that day: Here I am with my wife and three children under this roof. Do you want to bombard us with aircraft? I told him that if he wanted to become the country's president, I would nominate him at the first Central Committee meeting. But he did not answer at all. On the following day, an Afghan friend close to the party leadership circles told me a story similar to Najibullah's tale. He said that Shahnawaz Tanai contacted Najibullah by phone only one hour before the coup was staged and told him that he, Tanai, was in control of all the military and government facilities and that he, Najibullah, must surrender so that he may be tried by the Central Committee on the charge of plotting against the party and the revolution. But Najibullah rejected the demand and invited Shahnawaz to submit to arbitration by the party. The battle then erupted.

#### Darul Aman Inferno

Twenty four hours of fire. This is the coup bannerline carried by AKHBAR-E HAFTEH (Weekly News) which has been publishing the details of those critical hours which Kabul experienced on 6 March. The defense minister fortified himself at the Defense Ministry premises, located in the Darul Aman area which is seven km from the center of the capital. A few days before the coup, said my Afghan friend, Tanai issued instructions that nobody, including (and perhaps especially) President Najibullah, be allowed to enter the Defense Ministry. When Tanai's phoned threats to Najibullah failed, the minister instructed the pilots at Bagram air base to hit the state facilities, especially the Republican Palace where the president is to be found. He also instructed the

Defense Ministry forces to move. But Najibullah was, it seems, faster than Bagram's planes and than Tanai's forces. It was a stunning surprise when the Defense Ministry was surrounded on all sides a short time later by special forces controlled by the president. In those moments, at nearly 1300, the Kabul tragedy started. The Afghan friend added: Darul Aman turned into an inferno. The battle started initially around the ministry premises and then extended into the premises, with combatant confronting brother combatant face-to-face. No weapon was spared in that bloody confrontation. At this very time, added the Afghan friend, the vanguards of the Mig and Sukhoi planes began arriving over Kabul from Bagram Airport. Those planes pounced on the ministry buildings, the palace, the radio station, and the television station like brutal hawks. The shelling was indiscriminate, not focused. The areas attacked by the planes included Foroshka, the capital's center that is jammed with people at this time of the day. Areas such as Sarjok, a residential area, were also attacked. The famous Balkhashti Mosque in the city center was also shelled, in addition to the Defense Ministry environs, the entire Darul Aman area, the airport, and the important party establishments, of course.

There was a missing link in the course of the events, said the Afghan friend. It was unreasonable to imagine failure of the coup in light of the resources that were at the disposal of Defense Minister Shahnawaz Tanai. So how do you explain this failure, I asked the Afghan friend? He said: There is one explanation only: namely that numerous aspects of Tanai's coup plot were known to President Najibullah. Otherwise, he would not have at all been able to control the situation in only 24 hours. One of the tales circulated widely among Kabul people, one of the aspects of which President Najibullah himself referred to at a meeting with the tribal representatives. It says that Shahnawaz Tanai relied basically in his coup on the air force strike forces which supported him, and that tens of pilots were ready and waiting to receive his orders at Bagram Airport in accordance with a prearranged plan. But some sort of a flaw, or "failure," or "national sentiment"—as President Najibullah has called it—on the part of some of those pilots upturned the balance and changed the course of the events. The tale also says that one or two pilots from the first squadron which took off in the direction of Kabul changed course and landed at an air base near the capital at the last moment and then received orders to shell not Kabul but the runways of Bagram Airport itself to stop other aircraft from taking off. Thus, only a few hours after the coup, Shahnawaz Tanai could find no means to deal with the situation other than flee. He put on civilian clothing and left the ministry in an ambulance for an unknown destination, according to the Afghan friend. Shahnawaz Tanai left nothing but one thing, a very telltale thing, on his desk. He left his party card and took with him all the documents and maps concerning his country's security.

#### Red Revolutionary and Green Prince

"Inqilabi sorkh wa amir-i sabaz dar towte'ah 'alayh-e watan." This phrase, which means in Arabic that the red revolutionary and the green prince plot against the country, has been the common denominator in all that has been officially published and said in the course of interpreting the causes, motives, and dimensions of the latest coup which was headed by the defense minister, and in which tens of the most prominent party and government leaders and army commanders participated. But how did Shahnawaz Tanai, the red revolutionary and the candidate Political Bureau member, plot with Gulbuddin Hikmatyar, the Islamic Party leader, the radical nationalist, and the foreign minister of the mujahidin provisional government? This is the only perplexing question that has remained unanswered.

In the first communique he issued from Kabul Radio on the morning following the day of the coup, President Najibullah said: "Yesterday, a group of traitors and of those tied to the enemies abroad, in cooperation with the traitorous Gulbuddin faction, and led by ex-Defense Minister Shahnawaz Tanai, staged armed action which was aimed at civilian, military, and government facilities in Kabul. This treasonous action has been foiled, its leader has fled, and the armed forces have been instructed to bring in Tanai alive or dead." In his communique, Najibullah added: "At a time when we continue our march to entrench the national reconciliation policy, Afghanistan's enemies abroad and their agents at home are trying with all their efforts to put obstacles in the path of national reconciliation so that the fighting and the bloodshed may continue....After we foiled all the offensives launched against Kandahar, Khost, and Jalalabad and after we exposed an underground network of the radicals and the traitors tied to Gulbuddin in Kabul, these people have resorted anew to the use of arms to secure and protect their selfish personal interests that oppose the people's interests and the national reconciliation policy."

In all the subsequent communiques in the press and on radio and television and in all the daily meetings President Najibullah himself held, whether with the tribal delegations and representatives or with the party and popular organizations, one point was underlined, rather emphasized, but with lengthy explanatory introductions. This point is that Shahnawaz Tanai, the traitor, the radical, and the national reconciliation enemy, cooperated with Gulbuddin Hikmatyar, the traitor, the radical, and the national reconciliation enemy, and that both coordinated with Pakistani intelligence to overthrow the regime. If there is an explanation or an answer to the perplexing question which asks, "How did an adventurer who rejects reconciliation with Hikmatyar and Pakistan get the opportunity to meet with Hikmatyar and Pakistan," then the answer is the sole interpretation that is arbitrarily derived from the Leninist literature, which says that the radical left and the radical right will inevitably meet. But is this explanation fit to solve the ciphers of the complex question? Our same Afghan

## SOUTH ASIA

friend said: If we envision the reverse situation, this explanation would be 100-percent sound. I said to him: You mean that if Najibullah staged a coup against Shahnawaz Tanai in agreement with Hikmatyar? Precisely, he said, adding: For one simple reason—namely that the accusation, with its current details and with the absence of evidence and documentation, does not hold water. Moreover, the explanation that the accusation is based on Tanai's and Gulbuddin's "hostility" to the national reconciliation policy will fall when one realizes that this hostility does not move along the same line. To the contrary, Shahnawaz is "opposed" to the national reconciliation policy because he considers the Afghan mujahidin to be reactionary gangs that seek to drag Afghanistan backward. He views this policy as treason to the April revolution and to the party principles, whereas Gulbuddin views this policy as a "Soviet game." So how do you explain the Shahnawaz-Gulbuddin agreement? I posed this same question to President Najibullah but got no answer for it. He was content to answer some questions I addressed to him and ignore others, including this one. I again posed the question to Dawud Ruzmayan, a party official in Kabul and a Central Committee member. Regrettably, comrade Ruzmayan had only the same answer I had been hearing repeatedly every day from the radio and television stations. Comrade Ruzmayan said: I can understand from your question that some circles want to turn the Shahnawaz coup into an occurrence within the party. But I tell you that the coup has nothing to do with the party's internal conflicts. This coup was a plot by Shahnawaz, Gulbuddin, and Pakistan against our party and our revolution.

After an exclusive and lengthy interview, a high-level official of one of the Afghan parties in Kabul spoke to me about the true causes and dimensions of Shahnawaz Tanai's coup, saying: We have warned the comrades in the Afghan People's Democratic Party, with utter concern and responsibility, of the drawbacks and negative consequences harbored in the process of accusing the ex-defense minister of ties and communication with the Pakistani military intelligence. The gain from this accusation process will not at all equal the moral loss it will cause the party itself in the long run. We have told them frankly, added the Afghan official, that we condemn Shahnawaz' coup from the practical aspect and as a process for settling party feuds and conflicts. But we decline to enter into a bazaar of intelligence-motivated political accusations. We have reminded them of the accusation against Hafizullah Amin, an issue that continues to erupt among the party ranks from time to time.

An Arab friend who is an expert on Afghan affairs has told me: You can find an answer to your question if you carefully examine the names of those expelled from the party leadership during the latest Central Committee meeting which was held in the wake of the coup. It is no coincidence that 24 expelled members, including five members of Political Bureau, and 19 members of the Central Committee, have been historically considered supporters of the Khalq wing. I asked: And are these

members the only ones who participated in the coup? He answered: These are the main participants. You'll find the rest of the answer in the enormous human losses, especially among the military. I asked a Foreign Ministry official about the number of those who fled in Shahnawaz Tanai's company and he answered: 15 pilots and five generals fled in his company.

#### Foreign Minister's Statement

90AS0040B Nicosia *AL-HURRIYAH* in Arabic  
15 Apr 90 pp 39-40

[Interview with 'Abdul Wakil, Afghan Foreign Minister, by Jum'ah al-Halifi; "Afghan Foreign Minister 'Abdul Wakil to *AL-HURRIYAH*: Soviet Leadership Should Not Have Sent Its Forces to Afghanistan; We Will Ask Security Council To Compel United States and Pakistan To Implement Geneva Accords; We Highly Appreciate PLO's Role and Efforts To Solve Afghan Issue;" first paragraph is *AL-HURRIYAH* introduction; date and place not given]

[Text] Kabul Dispatch—In a short period, especially since the Soviet forces' withdrawal from Afghanistan in February 1989, the Afghan Government has been able to achieve noticeable successes in the field of foreign policy. This policy is based on the national reconciliation approach which the government has been pursuing for over two years and which it continues to pursue resolutely, despite domestic and foreign difficulties and complications. Excluding a few countries, which Afghan Foreign Minister 'Abdul Wakil has defined in the following interview with *AL-HURRIYAH* as the United States, Pakistan, and Saudi Arabia, President Najibullah's policy has begun to enjoy broad understanding in numerous international circles and in the world public opinion circles. Moreover, the Afghan political circles responding to and sympathizing with the Afghan Government's proposals to solve the Afghan issue at the negotiation table and far from the battlefields and from bloodshed are increasing daily inside and outside the country.

Following is the text of the interview with Afghan Foreign Minister 'Abdul Wakil:

[al-Halifi] The Geneva accords on solving the Afghan issue were concluded two years ago. But as you assert, the foreign interventions in the Afghan issue, especially by the United States and Pakistan, have not ceased. Is there a plan to present this issue anew to the international organizations?

['Abdul Wakil] Yes, we will exert efforts to do so. As you truthfully say, Pakistan, one of the obligated parties, and the United States, a guarantor, are signatories of the Geneva accords. Yet, their intervention in the internal affairs of the Republic of Afghanistan has not ceased and they continue to pour oil on the war raging in our country which is suffering catastrophically as a consequence. If they do not cease their intervention in Afghanistan's internal affairs, we will go to all the international

circles, including the Security Council, to demand that the United States and Pakistan be compelled to implement the Geneva accords.

[al-Halfi] Efforts are proceeding at the international level in the direction of developing solutions to the regional problems. But the horizons of the solution to the Afghan problem continue to be unclear to this moment. What, in your opinion, are the causes impeding the development of a solution to this problem?

[Abdul Wakil] Very regrettably, it must be said that the United States, Pakistan, and Saudi Arabia are the parties imposing war on the Afghan people and opting for a military solution to the Afghan problem. But we believe that Afghanistan's dilemma will not be solved in this way, i.e. it will not be solved with continued fighting and with military pressures. The key to solving this dilemma is peace, dialogue, and discussions between all the feuding parties. In this context, we appeal to all opponents of the Republic of Afghanistan, be they the parties to the Afghan opposition or their supporters abroad, to let sound reason prevail in connection with the peace proposals which have been offered by the Government of the Republic of Afghanistan and which have been welcomed by all the peace-loving circles in the world. We appeal to them not to put obstacles and impediments in the face of these proposals and to allow the Afghan dilemma to be solved at the negotiation table.

[al-Halfi] For some time now, your relations with Iran have been improving constantly. What is your assessment of Iran's position toward your country's issue at the present time?

[Abdul Wakil] Our relations with our neighbor Iran, with whom we share a common language and a similar culture, are developing. In most international circles, in the UN lobbies, and in the nonalignment conferences, Iran takes a realistic position toward the political solution to the Afghan issue and it adheres to this position constantly. We appreciate the sound and peace-loving position which the leadership of the Islamic Republic of Iran expresses toward the Afghan issue.

[al-Halfi] What about your relations with the Arab countries, meaning: What is your assessment of these relations and what are the dimensions of the Saudi and Egyptian intervention in your country's affairs?

[Abdul Wakil] The government of the Republic of Afghanistan has friendly and developing relations with all the Arab countries, excluding Saudi Arabia. Materially and militarily, Saudi Arabia is the major financier of the radicals, the lackeys, and the Wahhabis. It plays a major role in the continuation of the war against the Afghan people and government. The Saudi Wahhabis have participated directly in killing people and in staging acts of sabotage in our country. We have in our possession sufficient and undeniable documents and evidence of Saudi intervention in Afghanistan's domestic affairs. The role and participation of the Saudi Wahhabis in the war against the Afghan people has become evident to the

world. With force and with various military methods, the Saudi Wahhabis are trying to determine the type of government to be established in Afghanistan, i.e. a government similar to their own. They try to impose this government on the Muslim people of Afghanistan through their lackeys. The Saudi endeavors, and I mean by this the attempts to propagate the Wahhabi creed among the ranks of the Afghan Muslims, are opposed to the sacred beliefs of the Afghan people. Accordingly, we denounce these endeavors.

[al-Halfi] The Soviets have come to consider their response to the appeal to send forces to your country as one of the mistakes of the past. How do you interpret this?

[Abdul Wakil] The Soviet Union is a big neighbor of the Republic of Afghanistan. Throughout long years, it provided the Afghan people with aid at several economic, cultural, and social levels. We do not forget such aid. Because of the continued foreign intervention in the domestic affairs of the Republic of Afghanistan, the Afghan Government was compelled to ask the Soviet Government, its neighbor and friend, to assist it in accordance with the agreements and treaties concluded between the two countries, so that it may defend the independence, territorial integrity, and national sovereignty of Afghanistan. The Republic of Afghanistan has received economic and military aid from the Soviet Union. Since the return of the Soviet military forces to their country, the Republic of Afghanistan has faced the Pakistani and the Wahhabist-Saudi intervention and military aggression and the intervention and aggression of their radical lackeys without anybody's assistance. Therefore, the Soviet leadership could have provided the Republic of Afghanistan with aid instead of sending military units in order to avoid being condemned for such a mistake.

[al-Halfi] What are the limits of the influences of perestroika on your internal conditions and are changes expected in this regard?

[Abdul Wakil] The government of the Republic of Afghanistan welcomes the positive changes and transformations that have developed in the lives of the peoples of the world, especially in East European countries, and all other countries. Three years ago, the Afghan Government adopted the policy of "national reconciliation," of "reconstruction," and of "openness," and it has accomplished positive results in this regard. The government will continue to march on the path of reconstruction and openness to achieve prosperity for our country and to crystallize the humane policy of national reconciliation by ending the fighting and the bloodshed.

[al-Halfi] The PLO has exerted efforts to solve the Afghan problem. What point have these efforts reached and how do you assess them?

[Abdul Wakil] We thank and highly appreciate the PLO role. We especially thank His Excellency President Yasir 'Arafat for his repeated endeavors to solve the Afghan

issue peacefully. We are confident that the ceaseless and tireless PLO efforts to solve the Afghan issue and the relevant PLO role in the international circles, especially in the Islamic Conference, will produce the desired results. Most countries of the world do not condone a military solution to the Afghan issue and believe that this issue must be solved peacefully and through dialogue and understanding.

## BANGLADESH

### Finance Minister Briefs Press on Aid Consortium Meeting

*46001562 Dhaka THE BANGLADESH OBSERVER in English 24 Apr 90 pp 1, 6*

[Text] Bangladesh received an aid pledge of U.S.\$1.8 billion as against the request for U.S.\$2.5 billion in the two-day Paris Aid Consortium meeting which concluded on Friday. Last year's aid commitment to Bangladesh was U.S.\$1.78 billion against a pledge of U.S.\$2.5 billion.

Finance and Planning Minister M.A. Munim said this at a post-Consortium Press briefing at the conference room of the Planning Ministry on Monday.

The traditional way of getting liberal aid has changed this year following increased pressure on donors, he said. We have to face competition to procure aid in future, he added.

The Finance Minister indicated that when five countries including Canada and Germany would pledge their contributions the figure of aid would reach around U.S.\$2 billion. They could not announce their pledges because of their country's budgetary formalities, he said. The present pledge of the donors is equal to that of 1987, Mr Munim said.

World Bank has made a pledge of U.S.\$450 million which is U.S.\$200 million less than that of last year's commitment, he said. World Bank's contribution is, however, likely to go up with the availability of fund under the replenishment of IDA, he said.

Regarding conditionalities imposed by the donors at the Consortium meeting, the Finance Minister told a questioner that there was no political conditionality. One of the important decisions that the Consortium took this time was the holding of a mid-term economic performance review meeting. This meeting is likely to take place in November when fund utilisation and policy changes will be discussed.

Bangladesh has also agreed to hold discussion with donors before finalisation of the country's Fourth Five-year Plan. Donors have asked Bangladesh to prioritise projects which Bangladesh has already initiated by setting up of a Committee headed by Vice-President Moudud Ahmed. Such exercise is necessary as 60 percent of the project in the ADP [Annual Development

Program] are the spillover projects of previous years, he said. The donors suggestion for mobilisation of internal resources is also in line with our government's policy and by the end of the Fourth Five-year Plan period we would mobilise 30 percent of the ADP budget from local resources, Mr Munim hoped. The Minister said that out of the total aid pledged U.S.\$1086 million had been earmarked as project aid, U.S.\$387.79 million as commodity aid, U.S.\$155.49 million food aid, U.S.\$160.32 million technical assistance while others U.S.\$5.51 million.

### Jamuna Project

Though Jamuna project came up for discussion, it was not the right forum for the purpose. Jamuna consortium meeting will be held in mid-May in Washington. The donors expressed their view that the project could be included in the Fourth Five-year Plan of the country without dropping other priority development projects. They were convinced of the importance of the project, the Minister said.

We plan to continue with the liberalisation of import as the Government believed only through liberalisation the country could be industrialised and economy developed. He did not agree that protection of local industries was required for industrial growth of the country. The size of the ADP in 1990-91 will be Taka 5,950 crore of which local contribution will be only Taka 350 crore out of the revenue surplus. Regarding demonstration staged by some Bangladeshi in Paris, the Finance Minister said that he had been informed about such an incident. About 50 Bangladeshi staged such a demonstration, he said.

About Japan which is Bangladesh's largest bilateral donor, the Finance Minister said Tokyo made no firm commitment in the meeting but hinted that their contribution would be not less than that of last year in terms of yen. Increased Japanese commitment is expected when Japanese Prime Minister visits Dhaka on 1 May, the Finance Minister said.

ERD [External Resources Division] Secretary Enam Ahmed Chowdhury, Finance Secretary Khorshed Alam, Planning Commission members Kazi Fazlur Rahman, Dr Hasan Zaman were among others present.

### Mission in Oman Raised to Ministerial Level

*46001565A Dhaka THE BANGLADESH OBSERVER in English 17 Apr 90 p 3*

[Article: "Bangladesh Mission in Oman Upgraded"]

[Text] Bangladesh diplomatic mission in the Sultanate of Oman has been upgraded to ministerial level, Foreign Office sources in Dhaka said on Monday.

Ahmed Sharful Hussain, Director at the Pacific Desk in the Foreign Office, who has been promoted to the rank of Director General, is going to head the elevated mission in the Gulf island-state as Charge d'Affaires, an official told UNB.

A Counsellor has been heading the mission since it was opened in 1983. Counsellor Alimul Huq has been transferred to Beijing, he said.

About 40,000 Bangladeshi doctors, engineers, nurses and agricultural workers are employed in Oman.

### Activities of Soviet Communist Delegation

#### Meeting With Khaleda Zia

46001566A Dhaka *THE BANGLADESH OBSERVER*  
in English 14 Apr 90 p 3

[Article: "Soviet CP Team Calls on Khaleda"]

[Text] The two-member Soviet Communist Party delegation called on Begum Khaleda Zia chairman of BNP [Bangladesh Nationalist Party] and leader of the Seven-Party alliance at the central office of the party on Thursday. During their visit the members of the delegation A. S. Kamaye and F. N. Eorlov informed Begum Zia of the socio-economic and political reforms programmes of the Soviet Union. Begum Zia also explained the political and economic situation now obtaining in the country to the Soviet delegates.

They also exchanged views on national and international issues.

A party Press release said that the Soviet delegates conveyed good wishes on behalf of the Soviet people to Begum Zia.

Soviet ambassador to Bangladesh Mr. M. Smirnov, Vice-Chairman of BNP Mr. Shamsul Islam and a member of the CPB [Communist Party of Bangladesh] Mr. Murtaza were present during the discussion.

#### Meeting With Ahmed, Jatiya Officials

46001566B Dhaka *THE BANGLADESH OBSERVER*  
in English 15 Apr 90 p 3

[Article: "Soviet CP Member Meets PM"]

[Text] A. S. Kamaya, Member of the central committee of the Communist Party of Soviet Union called on Prime Minister Kazi Zafar Ahmed at the Prime Minister's secretariat in Dhaka on Saturday, reports BSS.

They exchanged views on matters of mutual and bilateral issues and expressed confidence that the friendship between the two nations would be further consolidated in the days ahead.

#### Meets JP Secretary

The visiting delegation of the Communist Party of Soviet Union [CPSU] led by the Secretary of the Central Committee of the Communist Party of Byelorussia, Mr. Aleksei S. Kamay, Saturday called on the Jatiya Party [JP] Secretary General and Deputy Prime Minister, Shah Moazzem Hossain, at the JP Central Office.

During the meeting the two sides discussed various matters including bilateral, regional and global issues to the benefit of the two countries.

Both sides reached on consensus for increased cooperation in socioeconomic development of the peoples of Soviet Union and Bangladesh through state to state level as well as party to party level.

The Soviet Communist Party leader appreciated the development efforts being made by the people of Bangladesh for the last eight years under the leadership of President Ershad.

Mr. Felix N. Yourlov, International Relations Department of the Central Committee of the CPSU and officials of the Soviet mission in Bangladesh were present during the meeting.

The JP Secretary General was assisted by the JP Joint Joint Secretary General and Forest and Environment Minister, Mr. Zafar Imam and State Minister for Youth and Sports. Mr. Tajul Islam Chowdhury.

#### Meeting With Ershad

46001566C Dhaka *THE BANGLADESH OBSERVER*  
in English 17 Apr 90 pp 1, 10

[Article: "Soviet Delegation Calls on Ershad"]

[Text] The two-member delegation from the Soviet Union comprising Alexei S. Kamal, Secretary of the Central Committee of the Communist Party of the Byelorussian SSR [Soviet Socialist Republic] and Felix N. Yourlov, head of the group of the Central Committee of the Communist Party of the USSR called on President Hussain Muhammad Ershad in Dhaka on Monday, reports BSS.

During the meeting, they informed the President of the various reforms and changes that had been taking place in the Soviet Union under the leadership of Soviet President Mikhail Gorbachev.

They also discussed with the President about bilateral relations and economic cooperation between the two countries.

Soviet ambassador in Bangladesh V. S. Smirnov was present on the occasion.

#### Friendship Soviet Team Leaves

Meanwhile, the four-member Soviet delegation led by Professor Fridrikh Akhmedovich Trinich, Vice-President of Soviet-Bangladesh Friendship Society left for Moscow on Monday on conclusion of its two-week visit to Bangladesh.

During their stay here the members of the delegation also visited Chittagong and Mymensingh and exchanged views with various shades of the people of Bangladesh.

The Soviet delegation included Dr. B. V. Kiselov of Byelorussia State Institute, Dr. V. I. Kachan, head of department, Automatic System Scientific Research Institute Byelorussia and Mr. Vladimir Aleksejevich Minaev, executive secretary of the USSR-Bangladesh Friendship Society.

### Minister on Compulsory Primary Education

*46001569A Dhaka THE BANGLADESH OBSERVER in English 18 Apr 90 pp 1, 10*

[Text] The law to make the primary education compulsory will come into force from January 1, 1991, Education Minister Sheikh Shahidul Islam said in Dhaka on Tuesday.

In an interview with BSS, the Minister said the Education Ministry was now busy drawing up detailed programmes to ensure compulsory primary education for all throughout Bangladesh within the next five years.

In the first phase, Sheikh Shahid said all the municipal corporations, municipalities and sadar unions of each upazila would be covered under the compulsory primary education programme.

In this process, the Education Minister said, it was expected that 22 million people will be covered which is about one fifth of the total population of the country.

He said new schools will be set up or double shifts will be introduced in the existing schools to accommodate the increasing number of pupils, which is expected to rise by 35 percent following the enforcement of the Act.

Over the next four years, Sheikh Shahid said the Ministry of Education contemplates to cover the entire Bangladesh by taking 25 percent remaining unions each year.

The Ministry has already directed the concerned agencies like national curriculum and text book board, Facilities Department and Directorate of the Primary Education to prepare detailed programmes in this regard.

Sheikh Shahid said the Ministry is working out the requirement of text books for the increased number of students.

Besides, more teachers are to be appointed and trained, more infrastructural facilities are to be provided, he said. And for that matter, he pointed out, each and every agency has been asked to submit its financial requirements.

Relying to a question, the Education Minister said the World Bank, UNICEF and other international and inter-governmental agencies had expressed their desire to invest in the compulsory primary education project.

Meanwhile, he said the Ministry of Education is embarking upon a massive development project, "general education project", at a cost of over Taka 1200 crore.

Incidentally, he said this will be the largest project so far undertaken by the Ministry of Education. The World Bank, Asian Development Bank, UNICEF, UNFPA [United Nations Fund for Population Activities] and SIDA [Swedish International Development Agency?] will finance the project, he said.

Besides, over 6000 primary schools will be repaired and reconstructed within two to three years under a flood rehabilitation project to be financed by World Bank, Islamic Development Bank and other donor agencies.

Relying to another question, the Education Minister said the school mapping project was nearing completion within the next two months.

Financed by the UNDP [United Nations Development Program], the project, when completed, would present different areas of the country.

The Minister said the government would undertake non-formal educational projects to cover up the working and under-privileged children both at urban and rural areas.

### Hasina Addresses Awami League Central Executive

*46001564 Dhaka THE BANGLADESH OBSERVER in English 19 Apr 90 pp 1, 10*

[Text] Awami League President Sheikh Hasina on Wednesday asked her party workers to prepare themselves for protecting people's voting right in future elections, reports UNB.

"We must continue the struggle for establishing the rights to vote and food," she told a special extended meeting of her party's Central Executive Committee in Dhaka Wednesday afternoon.

At the same time she demanded free parliamentary polls under a non-partisan and neutral government.

"We want to establish parliamentary democracy," she said.

Hasina said the people had voted for Awami League in last month's upazila polls but many seats were snatched by the ruling party through rigging and intimidation.

She, however, observed that many officials, despite intimidation, tried to maintain neutrality in the elections. This, she remarked, is a good sign.

The Awami League leader demanded that the officials be allowed to discharge their responsibilities uninterfered which is provided under Article 133 of the Constitution.

The inaugural session was also addressed by party General Secretary Sajeda Chowdhury. Publicity Secretary Mohammad Nasim moved a condolence resolution.

Awami League central leaders including Abdus Samad Azad, Abdul Mannan, Dr Kamal Hossain, Zillur Rahman, Pulin Dey, Salauddin Yusuf, Sheikh Abdul Aziz, Matiur Rahman, Tofael Ahmed, Amir Hossain Amu, M.A. Jalil were present.

Besides, the meeting was attended by Presidents and General Secretaries of district and thana committees and party candidates who contested the upazila elections.

Referring to the economic crisis and the reported capital flight, Hasina demanded that a white paper be published on the country's existing foreign exchange reserve and this year's export and import.

Donor countries have also pointed to the country's economic challenge in future, she said, "we must realize why the donors are frequently talking about our crisis."

The Awami League chief asked why the growth rate became all time low despite bumper food production following floods.

She criticised the Government for what she said misuse of foreign aid in unproductive sectors, denationalisation policy as well as for frequent visits abroad by the ruling party leaders.

She blamed the Government for terrorism and patronising armed hooligans in the campus.

Sajeda Chowdhury said the recent upazila elections had proved that no free polls could be held under the present Government.

**Communist Leader Discusses Party Name Change**  
*46001563 Dhaka THE BANGLADESH OBSERVER  
in English 22 Apr 90 p 10*

[Text] There are suggestions from within the Communist Party of Bangladesh (CPB) to change its name and the issue may be discussed at its next month's central committee meeting.

"Though there is no definite agenda on changing the name of our party, the central committee will discuss if such proposal comes up," said Nurul Islam, a central secretary of the CPB.

Talking to UNB Islam confirmed that there are opinions (within the party) in favour of changing the name of the party.

"Such a proposal will not be restricted when the central committee meets on 9 May," Islam said.

Nurul Islam did not give details about the opinion, but sources close to the CPB said some favoured dropping the word 'Communist' to make the party more acceptable to the people.

Many in CPB feel that the party will do better in election politics if the word Communist is dropped because people in the Bangladesh have still taboo about the term 'communism.'

However Islam indicated that the proposal may come from within the central committee or from outside.

Nurul Islam heads the four-member "democratisation and Constitution Committee," which is preparing a draft document for presenting at the central committee meeting prior to the Party Congress due in October.

The suggestions for changing the name first surfaced during 28-30 March central committee meeting of the party called mainly to discuss the post-upazila polls situation.

The CPB, best known for its pro-Moscow stance, is now the largest leftist group in the country.

Sources said though the party's mainstream favours Soviet leader Gorbachev's Perestroika and glasnost, hardliners are still trying to slow the liberalisation pace.

**Report Predicts 10 Percent Shortfall in Foodgrain**  
*46001567A Dhaka THE BANGLADESH OBSERVER  
in English 17 Apr 90 p 10*

[Article: "10 pc Foodgrain Shortfall Likely"]

[Text] Foodgrain production, despite a bumper aman crop in the country this year, is likely to fall short of the target by at least 10 percent, according to an official document, reports UNB.

The target was set at 20.60 million metric tons for the current fiscal, but a memorandum prepared for next week's Paris Aid Consortium meeting said that the real production would fail to reach the goal by 2.14 million tons.

The shortfall is attributed to poor production of wheat, expected to achieve only 52 percent of the projection of 2.60 million metric tons. Boro production is also estimated to be around 3 lakh metric tons lower than last year's yield.

Rice production is, however, estimated to achieve the target by 95 percent because of a record 9.01 million metric tons of aman production compared to last year's production of 6.86 million metric tons.

The memorandum showed despite production increase this year, almost 11 percent over previous year's the average annual growth rate in foodgrain output would remain much below the target.

The growth in foodgrain output this year would be 3.1 percent as against 5.2 percent, projected for the terminal year of the Third Five Year Plan.

According to the memorandum though foodgrain import is expected to be less this year because of the bumper

harvest, steep rise in import prices of rice and wheat might cause around 5 percent increase in the import value.

The international price of rice and wheat shot up by 23 and 6.5 percent respectively over the last year's. The country's food import bill may reach 392 million US dollars during 1989-90 as against last year's 374 million dollars, the memorandum said.

Bangladesh reduced its food import target this year to 1.88 million metric tons from the original budget estimate of 1.92 million tons.

The target of foodgrains production for the coming fiscal 1990-91 has been set at 19.58 million metric tons.

## INDIA

### Singh Comments on Reporting of Violence

46001551 Madras *THE HINDU*  
in English 19 Apr 90 p 9

[Text] New Delhi, April 18. The Prime Minister, Mr. V.P. Singh, today asked the press to exercise "circumspection" without losing credibility, while reporting incidents of violence.

"Discipline and restraint are called for so as to avoid fanning passions which will give free reign to rumors," he said while inaugurating the one-day conference of State Ministers of Information and Cinematography here.

The press should play the role of an "integrator and synthesizer" to foster communal harmony and national integration.

Mr Singh said "we want a self-reliant and independent press. Democracy without a free press is inconceivable. But, freedom in its turn brings more responsibilities." In supports, he quoted Pandit Jawaharlal Nehru as saying: "The freedom of the press is not just a slogan, but an essential attribute of democratic process. As individuals or citizens or groups, we still think too much in terms of rights and privileges, too little in terms of obligations. That weakens the nation and we become then merely critics and complain without anything constructive to contribute. This, said Mr Singh, 'applies to the nation as a whole, but much more to the press.'

'Uneven reach': It was essential that the mass media should have a wide reach in a democracy. But the growth has been uneven in our country. There are disparities in the reach of the media between the urban and rural areas and also between the various regions, the Prime Minister observed. This was apparent from the concentration of newspapers in the metropolitan centers and major cities.

Warning to Pak: Mr Singh warned Pakistan of the consequences of fomenting trouble in Jammu and Kashmir and Punjab and carrying out a "systematic

disinformation campaign" and said that India "has the capacity to face these challenges now" as it had faced them in the past.

He said the National Front Government would suitably amend the Official Secrets Act so that the people "have increased access to information." This was in tune with the Government's firm commitment for "transparent functions."

He also said that the States as well as the Center could take steps to see that "unnecessary blockage of information" was avoided. For this purpose, he underlined the need to promote closer cooperation between the two.

**Radical transformation needed:** The Prime Minister said that while statutory changes were necessary, law by itself could not ensure greater openness in Government. Therefore, there was a need for a "radical transformation" in the attitudes of those who were in possession of information relating to public interest. On its part, the Government had decided to make the right to information a fundamental right.

Underlining the "larger national role" of the information system and media in the present context, the Prime Minister said it could enlist the support of the people by educating them about the dangers facing the country and highlighting various national issues in their proper perspective.

The media, he said, could also promote greater participation of the people in the governance of the country, help in the growth of the panchayati raj and rural development and in the removal of urban and rural as well as regional disparities.

**Appeal to State Govts:** Mr Singh appealed to the State Governments to create an atmosphere for the effective functioning of the press and help in the implementation of the Bachawat wage board recommendations for journalists and non-journalists.—PTI, UNI

### Singh Supporters Alleged To Have Set Harijan Afire

46001548 Madras *THE HINDU* in English  
21 Apr 90 p 9

[Text] New Delhi, April 20. Congress(I) members in the Lok Sabha today, alleged that close supporters of the Prime Minister, Mr V.P. Singh, set a Harijan day laborer on fire at a village in Mr Singh's constituency not far from the district headquarters of Fatehpur.

The Opposition benches were restive throughout the zero hour. Mr R.N. Rakesh, the Congress(I) member from Chail, a constituency bordering the Prime Minister's, was the most vociferous. He was supported by senior Congress(I) members, including Mr Vasant Sathe, and his party whips, Mr P.J. Kurien, Mr R. Kumara-managalam and Mr Harish Rawat.

From the very beginning Mr Rakesh waved a photograph and a bag of clothes which he claimed were that of the Harijan laborer. He deposited the bag in front of the Home Minister, Mufti Mohammed Sayeed. With no response coming from the Government, an irate Mr Rakesh and some of his colleagues stormed the well of the House in the closing moments of the zero hour. They were restrained by their senior colleagues.

Peace returned when the Home Minister assured them that he would have the incident examined and make a factual report to the House. Most of what the Congress(I) members said could not be heard in the din. The Speaker, Mr Rabi Ray, had to ring the buzzer repeatedly to restore order.

**"Old associate":** Later Mr Rakesh, Mr Jagpal Singh and Mr Kumaramangalam briefed the press on the episode. According to Mr Rakesh, the Harijan youth, Dhanraj, was killed by Gulab and Raju, sons of the Thakur Sumer Singh of Satto Dharmpur village, 35km from Fatehpur. The Congress(I) member said Mr Sumer Singh was an old associate of the Prime Minister, and had, in fact, been his agent in the last general elections for the Asothar block. During the elections Mr V.P. Singh's wife, Mrs Sita Devi, and son, Mr Ajeya Singh, had camped in Mr Sumer Singh's house which was also the election office. In view of the association, the Prime Minister was engaged in bailing out the accused in the murder case, Mr Rakesh alleged.

According to Mr Rakesh, about three fourths of the population of 12,000 in the village were Thakurs. Less than a thousand were Harijans. The Thakurs, Mr Rakesh said, did as they please. They had illegally occupied the lands of 42 Harijans who were each given a patta for 2.5 bighas by the previous Government.

The Congress(I) MP also alleged that five years ago Mr Sumer Singh and his elder son, Raju, had killed Anantu Tiwari for which they were sentenced to 20 years by the sessions court. Their appeal was pending in the high court, Mr V.P. Singh got them out for two years on parole, Mr Rakesh charged.

On April 5, according to Mr Rakesh, the brothers Raju and Gulab summoned Dhanraj and his wife, Kuchi, for harvesting work in the afternoon. Towards the evening they pushed Kuchi into a near-by ditch with a view to molesting her. She fought and resisted them. Hearing her cries, Dhanraj rushed to the spot from the fields. The couple then tried to fight their way out, but the landlord brothers disrobed her and she ran toward the fields for cover. Then Gulab and Raju doused Dhanraj with kerosene and set him on fire. With his body aflame, Dhanraj rushed towards the village pond and dived into the water.

**Written undertaking:** The commotion brought Dhanraj's father and brother to the scene. The police also arrived. A crowd collected. In spite of the police being present the Thakur brothers would not let go of the unconscious Dhanraj. He was kept without medical attention for

eight and a half hours until his father and brother gave a written undertaking that they would not pursue the matter. Dhanraj was taken to the hospital in Fatehpur, but doctors were on strike. He was then shifted to a private nursing center where he died the next afternoon. The post-mortem examination was conducted at the Swarup Rani Medical College Hospital in Allahabad. On April 7 a FIR [First Information Report] was lodged at the Asothar police station after Dhanraj's death.

According to Mr Rakesh, the Thakur notables of the village then held a conference, and decided to approach the Prime Minister directly. They boarded the Prayagraj Express for Delhi on April 8. On April 9, the Congress(I) MP said, they met Mr V.P. Singh and his wife. In the delegation were Mr Sumer Singh and his two sons, besides others. The very next day, Mr Rakesh alleged, the district authorities in Fatehpur were told by high-ups, at the Prime Minister's instance, to go easy on the accused, not to arrest them, and not to carry out the usual police investigation. The condition was that the accused would on their own present themselves in the court.

The administration gave Dhanraj's family Rs 2,000 for the funeral. When Mr Rakesh visited Fatehpur on April 18, he could not meet the District magistrate as he was out. He said the additional District magistrate and the Superintendent of Police told him that the matter was beyond them.

#### **Gandhi Makes Major Changes in Congress-I Hierarchy**

*46001555 Calcutta THE TELEGRAPH  
in English 15 Apr 90 p 5*

[Text] New Delhi, April 14: Mr Rajiv Gandhi today made major changes in the party hierarchy, appointing four new general secretaries at the national level and three new pradesh chiefs for Assam, Maharashtra and Orissa.

The four new general secretaries of the All-India Congress(I) Committee [AICC-I] are Mr H. K. L. Bhagat, Mr Balram Jakhar, Mr Mahavir Prasad and Mr C. K. Jaffer Sharief.

Two of the outgoing general secretaries have been named to a central disciplinary action committee. They are Mr K. N. Singh and Mr Ghulam Nabi Azad. They will retain their status of general secretaries under Mrs M. Chandra Shekharan, member, Congress(I) parliamentary board.

Another outgoing general secretary, Mr V. N. Gadgil, will be the official spokesman of the party. He will also continue to enjoy the status of a general secretary and be an ex-official member of the working committee. He will be assisted by Mr M. J. Akbar, MP [Member of Parliament], according to Mr Ghulam Nabi Azad who briefed the press today.

## SOUTH ASIA

Mr Mahavir Prasad will be in charge of all the north-eastern states besides West Bengal, Orissa, Karnataka and Delhi. Mr Bhagat will be in charge of Tamil Nadu, Andhra Pradesh, Kerala, Madhya Pradesh, Rajasthan, Pondicherry, Lakshadweep, Andaman and Nicobar, Gujarat, Goa and Daman and Diu, as well as the Congress Parliamentary board and working committee. Mr Jaffer Sharief will look after Jammu and Kashmir, Himachal Pradesh, Punjab, Haryana, Chandigarh, Uttar Pradesh and Maharashtra besides the AICC. Mr Jakhar, former Lok Sabha Speaker, will be in charge of the party's organizational elections due in November-December.

Mr Gandhi also appointed Mr Ramesh Chennitala, MP, as president of the Indian Youth Congress (I). Mr Hiteshwar Saikia, Mr S. S. Sindhe and Mr Giridhar Gomango have been appointed president of the Assam, Maharashtra and Orissa PCC(I) [Pradesh Congress Committee (Indira)]s respectively. Mr Azad said changes in the PCC's in Bihar, Andhra Pradesh and some other states would be made but did not indicate a timeframe.

Mr Gandhi, in his capacity as AICC president, will head the policy planning committee of the party with the former Gujarat chief minister, Mr Madhav Singh Solanki, as convener. Mr Vasant Sathe and Mr Pranab Mukherjee will be the other two members but they have not been given the status of general secretaries. Mr P. V. Narasimha Rao will be working committee member of the party in-charge of foreign affairs.

Mr Gandhi also appointed six vice-presidents, four general secretaries and an 11-member state parliamentary board for Uttar Pradesh with Mrs Rajendra Kumari Bajpai continuing to be the president. The vice presidents—all of them former PCC chiefs of the states—include Mr B. N. Pandey, Mrs Mohsina Kidwai, Mr Sukhdeo Prasad, Mr Laxmi Narayan Yadav, Mr Balram Singh Yadav and Mr Anand Singh, MP. Mr Ranavir Singh, Mr Zafar Ali Naqvi, Mr Kranti Kumar and Mr Jagpal Singh, MP, will be the new general secretaries of the UPCC [Uttar Pradesh Congress Committee].

The state parliamentary board comprises Mrs Bajpai, Mr N. D. Tiwari, Mr Lokpati Tripathi, Mr Balram Singh, Mrs Kidwai, Mr R. C. Vikal, Mr Arun Kumar Singh Munna, Mr Narendra Singh and Mr R. N. Rakesh.

#### Minister Gujral on Relations With Bangladesh

46001561 Dhaka *THE BANGLADESH OBSERVER*  
in English 4 May 90 pp 1, 10

[Text] India is keen on improving its relations with Bangladesh through solution of the outstanding problems between the two countries, Indian External Affairs Minister I.K. Gujral has said, reports UNB.

He was also optimistic that all bilateral problems could be resolved in the near future through mutual trust and cooperation.

"We are keen to see that India and Bangladesh be friends. We must cooperate with each other for the benefit of our countries and for the region as well," Gujral said in an exclusive interview with Dhaka Courier.

He said many of the irritants between the two countries "are a legacy of history and geography and cannot be solved overnight. It has to be a gradual process."

What is necessary is that we should make a beginning and look for solutions which are fair and equitable for both sides. I also feel that good neighbourly relations need not wait for the resolution of all problems," Gujral, who is due to meet his Bangladeshi counterpart in New Delhi later this month for the Joint Economic Commission meeting, said.

He said his recent visit to Bangladesh had resulted in creating a good atmosphere of mutual trust and cooperation needed for "successfully tackling the problems in the coming months."

#### Ganges Water

Replying to a question on the Ganges water sharing dispute, the Indian External Affairs Minister observed that experts should sit together to find out solutions.

If the Indian proposal of a link canal to increase the water flow of the Ganges was not acceptable, there should be something else, he said. "The point is, we must find out solution."

He however added that a permanent water sharing formula has to be more fair and equitable than the arrangements of 1977, 1982 and 1985.

Gujral said the Indian Government, whether the earlier one or the present one, "is fully committed to handing over the 'Tinbigha' corridor. Unfortunately, the matter has got stuck in the courts."

"We have been trying to expedite it. I am glad that the Supreme Court heard the case on 12 April. The judgement is expected in July," he said.

Asked if the Indian foreign policy towards Bangladesh after its independence was the one to impose conditionailities on the new-born country, the Minister said "perhaps, there was exaggerated expectations on both sides."

India's foreign policy has always been a bi-partisan one with emphasis on continuity and effort to correct deviations and remove irritants, he said when asked to differentiate between the foreign policy of the Congress (I) government and the present one.

#### Unfriendly Attitude

On the question of New Delhi's "unfriendly attitude" towards Dhaka after the 1975 changeover, Gujral said there was a feeling in India also that the government that took power in Bangladesh after 1975 was not friendly towards India.

"What is needed is a determination on both sides to look to the future and to forge a closer and cooperative relationship," he said.

He said the present government in India attached much importance to improving relations with the neighbouring countries and recalled that his first two visits abroad as Foreign Minister were to the Maldives and Bangladesh.

#### Pak Role Regretted

But, the Indian External Affairs Minister regretted, Pakistan is an exception to this trend. "Pakistan's systematic efforts over the last few years to interfere in our domestic affairs by training, arming and sending terrorists to Kashmir has cast a shadow over our relations."

"In spite of that, we intend to go ahead with our bilateral talks with Pakistan on various issues as scheduled," he added.

Asked to comment on President Ershad's recent statement on the repression of Muslims in Kashmir and the call for stopping it, Gujral said it was "one-sided and unfortunate."

### IRAN

#### Government Allegedly Attempts Rapprochement With UK

90P40053 London *AL-DUSTUR*  
in Arabic 21 May 90 p 5

[Text] Naming Churchill Street in Tehran, where the British Embassy building is located, Bobby Sand Street, after the Irish fighter who died in a British prison of a hunger strike, meant that the mayor of the "ayats" capital of the time wanted to insinuate that Iran stands at the side of the Irish people against Britain.

Last Wednesday, it became clear, with a change of mayor in the Iranian capital, that the policy of Tehran toward Britain has also changed. What attracts attention is the meeting between Tehran's envoys and the British Government's representatives in the Republic of Ireland at the wishes of Tehran.

In spite of the fact that Tehran originally announced that the delegation that it decided to send to Dublin would meet with representatives of the European member nations of the Common Market, AL-DUSTUR's sources in the Irish capital confirm that the real goal behind the Iranian delegation's visit is to prepare for conducting official talks with Britain. The same sources indicate that the currently prevalent atmosphere in Iran is one of naturalization of relations with the West, and Britain—which Iran considers to be the most supportive of the "Khomeyni revolution" among the European nations—will be the first Western nation to have its relations naturalized.

It is worth noting that the Iranian press has for some time been talking about the necessity of renewing relations between the two countries. The newspaper JOMHURI-YE ESLAMI, which is usually distinguished by its radical editorials against America and the West, has recently joined the voices calling for normalization with Britain. In the editorial written by Chief Editor Masih Mohajeri on Monday, the newspaper called on the British Government to not place all of its difficult internal problems in one basket and to utilize the situation to its advantage.

#### Credit Extended for Reconstruction of Khuzestan

90AS0094Q Tehran *JOMHURI-YE ESLAMI*  
in Persian 29 Apr 90 p 2

[Text] Ahvaz—JOMHURI-YE ESLAMI correspondent: The governor-general of Khuzestan has suggested [allocating] 100 billion rials in order to expedite reconstruction activities. According to our correspondent, the governor-general of Khuzestan, in a conversation with reporters, said: This year the credit allocation for reconstruction is 25 billion rials, which is not sufficient for the bombed areas of Khuzestan. While criticizing certain headquarters for failing to be present in the cities of Abadan and Khorramshahr, he said: This year we have made plans for over 2,000 people in the cities of Abadan and Khorramshahr which, if the request for the suggested credit is passed, positive steps can be taken in this regard.

He added: The delivery of gas air-conditioning [units] to the residents of Abadan and Khorramshahr has begun. The governor-general, in reference to inadequate and bad health and treatment conditions in this province, said: Over 12 billion rials in credit is needed to alleviate the health and treatment problems of Khuzestan. We hope that the responsible national health and treatment officials and the national officials pay attention to this matter.

### PAKISTAN

#### President Urged To Put End to Politicians' Feuds

90AS0043A Lahore *NAWA-I-WAQT*  
in Urdu 14 Apr 90 p 10

[Editorial: "Mr. President, We Need an Internal 'Cease Fire'"]

[Text] According to a news report, India has finalized plans for a full-scale military attack on Azad Kashmir and Sindh. It has reinforced the present two army corps in Azad Kashmir with six new brigades and 50,000 soldiers belonging to the Border Security Force. In Rajasthan, India has amassed a strike force composed of eight infantry divisions, one armored division, and four armored brigades. According to the plan, India will cross the control line in Azad Kashmir on the pretext of apprehending terrorists and take military action and will make sure that Kashmir or

Punjab do not become battle grounds. Because of its superiority in tank forces, India will try to fight a decisive war in Sindh. This is basically the same scheme which India successfully practiced under the code name of "Brass Take" in 1986. There is no secret about India's war plans. General Mirza Aslam Beg, commander-in-chief of Pakistan's armed forces, has warned the nation of this very real danger recently. He expressed concern over the country's political situation and said that we were fighting among ourselves at a time when the Indian armies were lined up on our borders. He talked about the dangers to the democracy; the catastrophic situation in Sindh; and the lack of any help to the armed forces because of political confrontations, conspiracies, and the problems between the central and state governments. General Beg is not wrong. We are talking about the same problem in these columns almost daily. The army was busy trying to keep the streets and lanes peaceful in 1971. A large part of our army is busy performing civil duties in Sindh, especially in Karachi. There were pictures of tanks and armored military trucks in the streets of Karachi in yesterday's newspapers. It is sad to note that those trucks, that should be carrying our armed forces across the border to fight the enemy, are patrolling Karachi's streets. Of course, it is not what the military wants. Our leaders and political parties have created such a situation in Karachi that the army had to be sent there. It is depressing to note that no one comes forward to stop all this. Everyone is busy commenting on the situation. In this situation, the only person whom the whole country has to look up to is the president of our nation. He is the final authority to correct this situation. The president should not be a silent spectator or be an adviser to the opposing groups as an objective commentator. Instead, he should be the "concerned president" and take some strong action. He should show some immediate action at least about the situation in Karachi. He should go to Karachi where a deputation of the COP [Combined Opposition Parties] is going and get Prime Minister Benazir Bhutto, Nawaz Sharif, Altaf Hussain, and other parliamentary leaders together and tell them that this is not the time for internal strife. As Raja Zaffarullah Haq once said, "We cannot fight the enemy until we have declared a cease fire at the home front." The president should warn all involved parties to refrain from fighting with each other, and obey the 1988 election mandate. He should tell them to stop playing the games of defection, "stock exchange," and horse trading and pass a bill against defection in the National Assembly. The president holds a position commanding respect, therefore, we hope that these leaders will listen to him. If a stubborn leader refuses to listen, the president should expose him in front of the whole nation. If all leaders ignore him, then he should appear on the national television and share their mischiefs with the people and fire them. The Pakistani Constitution has not given a similar role to our president as Giani Zail Singh and Fazal Ilahi have. Therefore, our president has to depend on his own courage and diplomacy to achieve this goal. We cannot afford a martial law regime at this point when the enemy is standing fully armed at our doors. The military can either run the government or defend the country. It cannot do both simultaneously. Pakistan's military could not do much in the past. Instead, we lost half of our nation because

of such experiments. Our military had to suffer the humiliation of a surrender. The military is facing similar problem today, therefore, it cannot afford to go to Islamabad. The politicians, however, have not left any stone unturned to invite yet another martial law regime. Please, Mr. President, you must do your duty!

### Expense Increase for Prime Minister's House Criticized

90AS0039C Lahore NAWA-I-WAQT in Urdu  
10 Apr 90 p 6

[Editorial]

[Text] The other day Senator Professor Khorsheed Ahmed was shown on a television program stating that the expenses of the Prime Minister's House had increased from 54 million rupees to 90 million rupees, and that the expenses of the president's house had decreased from 100 million rupees to 35 million rupees. The present government, after coming into power, had started a program of frugality under which the funds of the provinces too had been curtailed and the volume of advertisements had been cut by 50 percent. The other day, the prime minister issued instructions regarding office stationery and the size of paper had been cut short. But under big headings where millions of rupees can be saved no attempt was made for conserving funds. For example, the size of the ministerial cabinet has been increased manifold as compared with the past. The large number of advisers, Officers on Special Duty (OSD's), and assistants is nothing but a burden on the treasury. This increase has resulted not only in the increase of expenses in the form of salaries and privileges, but these people in their turn are spending large sums of money to please their supporters which is a negation of frugality. Furthermore, millions of rupees are being spent on foreign trips. If the government was really serious about frugality and seeing the miserable economic condition of the country and its goal was to remedy this situation, then the best thing to do was to start at home. Prime Minister Bhutto, before asking the people to make sacrifices, should have first curtailed the expenses of her ministerial cabinet, then the people's reaction to the recent increase in prices wouldn't have been one of opposition. Instead, the government, due to its lack of foresight and royal expenses, has emptied the treasury. Now, to make up for the deficit, it is increasing the price of fuel and manure, which in turn is increasing the burden on the poor, which is unfair. The prime minister's house should set an example by decreasing its expenses like the president's house.

### Legislature: Strong Anti-Defection Law Urged

90AS0039A Lahore NAWA-I-WAQT in Urdu  
10 Apr 90 p 6

[Editorial]

[Text] IJI [Islamic Jamhoori Ittehad—Islamic Democratic Alliance] has decided that the members of the Assembly should pass a constitutional amendment

during the next session of the Senate. Mian Nawaz Sharif, the leader of IJI, and Senator Mohammed Ali Hoti, the head of the opposition, had even had mutual consultations. Though IJI has never been behind anyone as far as the matter of the anti-defection law and change of loyalties is concerned, because of its shortcomings if it has come to the conclusion that it has become an obstacle in the democratic and political process and has come to mean an insult to the people's mandate, then it should be welcomed and the ruling PPP [Pakistan People's Party] in the federation should also assist it in putting an end to the prevailing situation. It would be difficult for any IJI member to get a private bill passed, especially when the PPP has been claiming that it enjoys the majority of seats in the National Assembly and it is true beyond any doubt. Also prior to this, the Opposition had tried to make the anti-defection law a part of the Constitution, but because of the refusal of the PPP parliamentary group their efforts did not succeed. In reality, the PPP is trying to pass the year 1990 so that in this period it would somehow manage to attract as many members of the National Assembly as possible and in this way gain an overwhelming majority in the lower house as well. The following year, when elections are held for the remaining half of the Senate, by taking advantage of the majority in the National Assembly, acquire a majority in the Senate as well. The PPP by strengthening its position in both houses can make the changes it wishes in the Constitution or put an end to the changes in the Constitution made earlier. This action would destroy the mandate given by the November 1988 elections. This would constitute a precedent which would shatter the confidence of the people in the elections. The truth is that since the past one or one and a half years, the buying and selling of Assembly members has made a mockery of democracy. It is true that the PPP was the single largest party in the federation and that it was not wrong to invite it to form a government. The PPP, seeing its weak position and a strong Opposition, tried to get the members of the Assembly to join it, formed forward blocks out of various parties, and gave them ministerial and advisory posts. The Opposition, in order to save its declining position, started a motion of no-confidence against the prime minister. They thus campaigned to gain the support of the PPP Assembly members or to bring back into its fold its unsatisfied members. It was in this period that the people witnessed the worst possible forms of selling and buying of Assembly members. President Ghulam Ishaq Khan severely criticized the defection of members during his speech in the parliament. What is worse, both political parties are blaming each other as being responsible for this game. In the Frontier province, IJI, which enjoyed the status of being the biggest parliamentary group, was amalgamated into the PPP by means of a forward block. Independent members were already independent, even though party-wise they belonged to the Muslim League party. But they too, instead of being loyal to their parties, adopted a compromise and self-interests prevailed, and acting against the mandate of their voters they decided to support the PPP. The PPP, despite being the second

largest group in the province, succeeded in forming the provincial government and the opportunists and self-seeking deputies got a chance to avail of power and privileges. In Balochistan a strange drama unfolded itself. Amir Zafrullah Jamali, seeing that his position was in danger, dissolved the Assembly, but was later restored by the High Court. There too the buying and selling of Assembly members persisted. In Karachi, the MQM [Mujahir Qaumi Movement—National Mohajir Front] and the PPP first formed a coalition government, but despite this the alliance did not hold and they separated. Now, the position is that the MQM Assembly members are not even attending the Assembly session because of threats against their lives. In the Punjab Assembly too the politics of forward blocks are underway. Some PPP members have formed forward blocks in the IJI, and some IJI members are becoming intimate with the PPP. The PPP failed twice to remove Mian Nawaz Sharif from office. Now "Khar" operation is in progress. They are saying that challenging the chief minister and becoming the chief minister was legal. But how can the PPP justify tactics to amalgamate people elected on IJI tickets into their party. This is against the specific mandate of the people and an act of no-confidence on the votes of the people. Anyone trying to override the wishes of the people is playing a dangerous game. This will send everyone home. Democracy has been achieved with great difficulty. It should be appreciated. A working relationship should be established and democracy should be made successful. The PPP by virtue of being in the federal government and a country-wide party is obliged to respect the ethics of democracy. This party should know that in 1977 their ambiguity deprived us of democracy for 12 years. Now at least such mistakes should be avoided. President Bush has already given the PPP a certificate of endorsement for democracy. The party is also declaring itself to be a champion of democracy, and as such most of the responsibility to protect democracy should also fall on their shoulders. In this context, if it cooperates with the Opposition in making the Defection law successful, then it would be doing a great service to democracy.

#### Kashmiri Militant Leader Interviewed

90AS0026A Lahore SIYASI LOG in Urdu  
15 Mar 90 pp 2, 9

[Interview with Abdul Hamid Diwani, Hijacker of an Indian Airlines plane in 1976, by Rashid Siddiqi and Atiquzzaman Butt]

[Text] The independence movement in occupied Kashmir is not new. The Kashmiri people started their struggle for freedom from India in 1947 when Pakistan was established. A number of Kashmiri people's organizations have been active in this effort to free Kashmir. The formula used for dividing this subcontinent should have made Kashmir a part of Pakistan. When the

Kashmiri people learned that India did not understand the language of resolutions and direct demands, they started agitations against the Indian government. Abdul Hamid Diwani, the leader of the Kashmir Liberation Front and a prominent freedom fighter, hijacked an Indian airplane for this purpose and attracted the world's attention to the Kashmir problem. He had two very young sons at that time. They are college students now and go to school under police protection. Mr. Rashid Siddiqi, editor, and Atiquzzaman Butt, deputy editor of the SIYASI LOG, interviewed Mr. Abdul Hamid Diwani. We are presenting this interview to our readers.

[SIYASI LOG] Which organizations are working for Kashmir's independence and what methods are they using?

[Diwani] There are 31 organizations working for Kashmir's independence movement. They are using different approaches, but all of them are willing to sacrifice anything for the common goal of gaining independence from India. The people of Kashmir waited for the implementation of all those resolutions passed in the United Nations so they could get the right to a referendum. When the Kashmiris felt that the United Nations was not going to help them, they resorted to arms. We are worried that we may come under the United Nations' control again. That would set us back 42 years in our struggle for freedom. We are convinced now that freedom cannot be obtained by resolutions or studies by commissions. The bullet, and the bullet only, will get us independence. We have chosen the path of armed resistance for this reason.

[SIYASI LOG] According to the All India Radio, there are two factions in Kashmir. One group wants to join Pakistan and the other wants to establish a separate country. Please comment on this.

[Diwani] It is true that there are some people in Kashmir who want Kashmir to be a separate country. The main reason for this is Pakistan's helplessness and the silence of the Islamic world. They have been compelled to say that it is hopeless to expect help from Pakistan and the Islamic world.

India keeps saying that Jammu and Kashmir are its inseparable parts. Pakistan has said that Azad Kashmir belongs to it, however, it has never granted rights of representation to the people of Gilgit and Baltistan. However, only a few people support that. Most of the people in Jammu and Kashmir consider Pakistan their country. Their hearts beat along with those of the Pakistanis. Kashmiris have always raised Pakistan's flag whenever they fought for independence and have burned the Indian flag in front of the Indian armed forces. They raise slogan in support of Pakistan. They are beginning to feel disappointed because Pakistan has not given them enough support. The historic strike of 5 February got rid of all the complaints of the people in occupied Kashmir. The whole state of Kashmir was on strike along with

Pakistan. A seven-year old boy was killed at that time because he was waiving a Pakistani flag from the third story of a building when the Indian army passed it.

[SIYASI LOG] Does the present campaign for independence in Kashmir have the support of all the people there?

[Diwani] All people in Kashmir, including the children, are ready to sacrifice their lives for Kashmir at this time. Their goal is freedom or death. The news medias of the entire world have conceded that this struggle is not like the Iran-Iraq war or the Afghan war. Instead, this is a people's revolution just as it had started in Iran a long time ago or as in former East Pakistan where the people were forced to take arms and revolt.

They have established check posts all over Sri Nagar, and Indian soldier are stationed in every street corner and market. They search anyone who leaves his home for any reason. Kashmiri mujahids [freedom fighters] do not carry any weapons when they go out on their missions. They pick them up at specific locations brought there by our mothers and sisters hidden under their clothes. The mujahids finish their missions, leave their weapons at the same place, and return home. Kashmiri women are playing a very important role in this struggle for freedom. They have been honored as the daughters of the country. No power in the world can stop us from gaining independence now that the situation is so serious that our mothers, sisters, and daughters are emotionally involved in the cause and are actively participating in the struggle.

[SIYASI LOG] How much truth is there in the belief that the jihad [holy war] in Kashmir is part of Ziaul Haq's plan?

[Diwani] It is true that after he was finished with the Afghan problem, Ziaul Haq, the "martyr of Afghanistan," was planning to free Kashmir. He was very sincere about getting freedom for Kashmir and had many plans to help attain it. He was evaluating various plans from holding talks to helping start an armed revolution. Ziaul Haq had created many problems for the government of India by helping the Sikhs or the freedom fighters. Every freedom fighter in Kashmir believes that if Ziaul Haq had lived, Kashmir would have been freed from the clutches of the Hindus. I met the late martyr General Ziaul Haq three times. In 1979, he came to the Mangla rest house after inaugurating a textile mill and I had arrived there after being released from a Multan jail. People from various groups were meeting him. Everyone had some purpose. Some wanted land and some wanted personal favors. At that time, General Chishti was the minister for Kashmir affairs. We expressed the desire to meet him. At that time, Brigadier Sadiq Saliq arrived there. When he learned about me, he sent all his visitors away and called me in. President Ziaul Haq advanced two steps forward and embraced me after calling me a mujahid. I told them he was calling me a mujahid that day and had called me a terrorist in the past. I added that

he was present at the Lahore incident. President Ziaul Haq replied that he was an assistant at that time, but deep down in his heart was very impressed with my greatness. He further said that he had issued orders for my release as soon as he had the power. He assured me of support for my struggle to free Kashmir. He told General Chishti to work with me on determining a strategy to free Kashmir. The martyr Zia encouraged me and told me that I would find him on my side when I raise my gun as a mujahid. He had added that he wished the Kashmir problem could be solved by the UN's resolutions. He assured his full support for freeing Kashmir if there was no positive result of those resolutions. The Soviet army had entered Afghanistan soon after this meeting, and Ziaul Haq's whole attention was diverted to helping the mujahidin in Afghanistan and he could not give much time to the Kashmir issue. However, he never neglected this issue.

I met him again at the Army House in Rawalpindi on 15 February 1988, after the Soviet army had left Afghanistan. The Geneva Pact had been signed by then. He hinted that the Afghan problem was ready to be solved, and asked me about my plans. As an experienced general, he advised me that we must support a pact like the Simla Pact and put diplomatic pressure on India. He had added that if these simple and straight approaches did not work, he would help me in the battle field and that we were going to win!

[SIYASI LOG] What made you hijack the Indian plane going from Delhi to Bombay? Were you a victim of a conspiracy when you took the plane to Lahore?

[Diwani] It is important to discuss the background of the hijacking of the Indian airplane, the Ganga. India has been actively involved in conspiracies against Pakistan for a long time. The Hindus had bought Mujibur Rahman in East Pakistan and helped him win the elections there. While Mr. Bhutto, who used to call General Ayub his daddy, was talking about unmasking the Tashkent agreement. Pakistan had to return an area of 16,000 square miles that it had won in the 1965 war as the result of this agreement. Mr. Bhutto had carried out this propaganda in order to make General Ayub Khan look bad. Ayub Khan resigned and Bhutto began to play his game openly. He refused to accept the results of the 1970 elections which made Sheikh Mujibur Rahman the prime minister of Pakistan. However, Mr. Bhutto wanted to remain in power at any cost. He gained power by his conspiracies. The emperor of Iran was involved in breaking up Pakistan. The whole world has seen what happened to Bhutto, Mujib, Indira Gandhi, and the Iranian emperor for their roles in breaking up God's country that is Pakistan.

The Indian airplane, Ganga, was hijacked from Sri Nagar and it was flown to Lahore by hijackers Hashim and Ashraf Qureshi. Mr. Bhutto was visiting East Pakistan at that time. He cut his trip short and returned to Lahore and warmly welcomed Hashim and Ashraf Qureshi. He assured them of his support and openly

wished that it was his son Morteza Bhutto who was the hijacker. Mr. Bhutto handed a matchbox to Hashim and told him to burn the airplane and use the soot to blacken the face of India so that it knows that it cannot keep Kashmiris in chains. When Hashim heard the future prime minister tell him that, he tore up his own shirt, soaked it in gasoline, and used it to obey him. Both Hashim and Ashraf were wounded and were given a hero's welcome. They were housed in a hotel. Sardar Qayum asked Maqbul Butt to force them to admit their allegiance to the Almaja Had organization. For the next three months they were feted, loaded with flower garlands, songs were written for them, and their interviews were broadcast on the radio. A few days later, they were accused of spying. I question why Pakistani intelligence and security agencies could not learn for three months that they had brought the plane to Lahore as part of a conspiracy and what the reason for hijacking that plane was. The security personnel should have been investigated. They arrested 300 other people along with Hashim and Ashraf. Now, we know how the Pakistani government had treated us for the first few years. Hashim and Ashraf were sentenced to 16 years in prison.

At that time, I thought that it was important to take some action to present Kashmir's case to the whole world and prove that we were being persecuted. Perhaps, that could result in international pressure on India to accept our demands. I thought that it was important to hijack an Indian airplane from an Indian airport to get international attention. I rehearsed this plan for three months. I picked five assistants and decided to hijack an airplane and take it to Libya. We had discussed this with high officials in Libya and they had assured us of cooperation. I knew that it was a gigantic project and we could lose our lives. We knew well that our problems would not be solved simply by hijacking an airplane, but we would succeed in getting the attention of the world.

I rehearsed my plan by traveling from Delhi to Agra on 8 September 1976, and succeeded in my mission on 10 September 1976. We successfully went through various security points and took our seats on the airplane. The pilot announced that the Boeing 737 was ready to fly to Bombay and asked the passengers to fasten their seat belts. He wished us a nice and safe trip, and I said under my breath that I was ready for it! The plane began to move on the runway and the stewardesses began to pass out candy in trays to the passengers. Many of the passengers had started to read newspapers. My neighbor was reading the INDIAN EXPRESS which carried photographs of Mao Tse Tung, who had died that day, on its cover. I said to myself that Mao had liberated his country and thought that if he were alive that day he would have praised the efforts of Kashmiri freedom fighters. I opened my newspaper and hid my gun under it. My associates were also prepared to work according to our plan. I opened the cockpit door a few moments later and completed my task. The pilot assured us of full cooperation. He told me that he did not have enough fuel to fly to Libya when I ordered him to fly there. I felt that he

was trying to land in Amritsar. I warned him that I would blow up the airplane if he tried to play any trick with me. However, he assured me of his full cooperation and told me that he could fly up to Iran. He did not say that he would fly wherever I wanted to if I arranged for fuel. He did say that we could land in Lahore and fly further after refueling there. [Text omitted in the original]...did and told them that we were Kashmiri freedom fighters and would like to land there if you grant us permission. From the noise on the microphone, I knew that the airport was in a turmoil since a hijacked Indian airplane was landing in Lahore. Pakistan's government must have been worried. The control tower instructed us to keep the airplane at the 10,000 feet level. At that time, the All India Radio was announcing that the airplane from Delhi to Bombay was hijacked. The control tower gave us permission to land on runway number three. The pilot told me that he could not land without the assistance of the copilot. I told him to just think that the other pilot was dead. I had locked the other pilot in the toilet. Anyhow, the pilot landed the airplane on runway three very skillfully and stopped it in a corner. I was called on the wireless and told that Mr. Bajpai, the Indian ambassador, wanted to talk to me. I was very angry on hearing Bajpai's name. He asked me what our demands were, how the hostages were doing, and whether anyone needed medical assistance. I told him that there were four doctors on board and they were treating the passengers. He told me that he was ready to offer me millions of dollars if I would give up the airplane. I replied that I was a freedom fighter and not a renegade.

My conversation with him was rather bitter. I received a message later that Chief Minister Sadiq Hussain Qureshi and information minister Aitzaz Ahsan wanted to talk to me. I agreed to see them as I considered them my Pakistani brothers. They told me that they could negotiate right there and it was not necessary to go to Libya since Pakistan supported the Kashmir's right to freedom. We had planned to make sure that we did not have to involve Pakistan as we did not want to put our Muslim brothers in a difficult situation. We had learned from what happened when the Ganga was brought here. We asked the chief minister to have our airplane refueled, and then we would think about talking with them. He assured us of his support for this request. Later, I descended down the stairs and rubbed the dust from the land on my face because I know that this holy land was established for a special purpose.

Mr. Qureshi returned with some military officials a short while later and asked what exactly did we want. I told him that our first demand was that Mr. Waldheim, secretary general of the United Nations, meet us so we could ask him what happened to all those resolutions promising autonomy to Kashmir that were passed in the United Nations Organization. Second, to free Maqbul Butt who was in a Sri Nagar jail and bring him to us. Third, to free all freedom fighters in jail then and to give me the list of all persons who were freed. However, we were tricked and arrested and taken to the Royal Fort. I

was kept in a separate room. A person came in and asked me if I knew where I was. He told me that I was in the notorious torture chambers of the old Royal Fort and he was its commander. He went on to tell me that whoever came there was forced to tell the truth and many famous people had come there and spoke nothing but the truth.

I told the commander that I was not afraid of his threats and that I had spent time in Indian jails. I told him that I already had explained what our purpose was. At this, the commander twisted my beard so hard that a lot of my hair were pulled out. I wondered how I was not treated that badly even in Indian jails as I was being treated in an Islamic country. My Muslim brothers were insulting the Prophet's tradition. Mr. Darani, the commander, called in four men and had me thrown on the floor and tortured me. My companions were also going through similar treatment. They rubbed my shoulder until I could see a bone. They asked me if I was from Bangladesh or from Afghanistan and accused me of conspiring against Pakistan. I replied that there was no conspiracy and all we wanted was to free Kashmir. However, no one listened to us and we were tortured again and again. I was hung upside down and beaten with a stick. One day, I was taken down to the basement and made to stand by the wall. Commander Darani began to load his pistol and told me that my end had come and to be ready. I told him that I preferred death to the life I had to lead there. I told them to bear in mind that there would be slogans of Kashmir's campaign for freedom from each drop of blood that was shed from my body. He did not shoot me and began to lash me with sticks and a whip.

[SIYASI LOG] India has accused Pakistan of interfering in occupied Kashmir and helping the Kashmiris in their efforts to gain independence. Please comment on this.

[Diwani] India's propaganda was always aimed at this. India had suspended its propaganda for a while after the Simla Pact, but resumed it again. The fact is that India has no proof that Pakistan is helping the freedom fighters, but it continues to spread baseless rumors to hurt Pakistan. The only crime of the Muslims living in India and Kashmir is that the Hindus suspect them of having relations or sympathy with Pakistan.

There is other proof of this. The present level of the struggle for freedom in Kashmir obviously is not possible without Pakistan's support. Everyone in Kashmir, including the children, have risen to help free their motherland. They have their own feelings and have decided to break the chains of slavery. The governments of Pakistan and India are not very honest about giving autonomy to Kashmir, however, the people of Pakistan are with us. We know that the historic 5 February strike was successful because of the strong feelings the people have. They really want Kashmir to be free.

[SIYASI LOG] What are your expectations from the Pakistani government?

[Diwani] The historic 5 February strike has proved that the people of Pakistan want to pressure their own government

and the Indian government, and the government has been forced to think on this line. Some practical steps also have been taken in this direction. It is not like the old days anymore. We hope that Pakistan will change its old policy and take practical steps towards helping Kashmir gain independence. We request the government to help stop the atmosphere of helplessness and declare a clear policy. We are satisfied with it to an extent.

[SIYASI LOG] It is important to have special training to carry our guerrilla warfare. What steps have you taken in training the Kashmiri youth?

[Diwani] The Kashmir youth get proper training. Expert trainers train them in various camps. Our young people are intelligent by nature. They are becoming a nuisance for the Indian armed forces because of their intelligence. They depend more on their faith than on weapons.

[SIYASI LOG] Indian journalist Khushwant Singh was here recently. He had said that it is in our interest to forget Kashmir because Pakistan could live without Kashmir, but India could not.

[Diwani] Khushwant Singh does not know history. The struggle for freedom in Kashmir started on 13 July 1931. The real struggle had started then. There was no Pakistan or India at that time. India was without Kashmir at that time. If India could live without Kashmir then, it can live as well now. Why is it trying to scare Pakistan? Anyhow, he is ignoring history here. The Kashmiris will gain independence and later become a part of Pakistan.

[SIYASI LOG] Rubayia Sayyed, the daughter of Indian minister of internal affairs, Mr. Mufti Sayyed, was kidnaped recently. What events led to this?

[Diwani] What happened was that the freedom fighters were not getting any coverage by the media. The television and radio stations in Pakistan were also quiet about it. We had no sources to make the world hear our voice. Such tactics are very important in guerrilla warfare. The freedom fighters had clearly told the Indian government that they were going to boycott the elections. The Hindus elected Mufti Sayyed who ran unopposed and was appointed the minister of internal affair. The freedom fighters were upset about this and decided to kidnap Rubayia Sayyed to get even. As the results show, the whole world learned about this kidnaping, and that our freedom fighters will do anything for their country's independence. The freedom fighters succeeded in getting five of their dedicated companions freed from jails in exchange for Rubayia Sayyed. This was an insult to the Indian armed forces since a few freedom fighters had successfully carried out this operation in the presence of a million Indian soldiers. The Indian police and army could neither control nor find these freedom fighters. The freedom fighters considered Rubayia as a sister and treated her with great respect. They presented her clothes and a copy of the Holy KORAN when they freed her. They told her that they were Muslims like her and could not give her anything better since that would be useful for her and her father so he could find the right way.

It is not true that Rubayia Sayyed had joined the freedom fighters, however, she did say that she did not want to return when they let her go as she was very impressed with their treatment and wanted to take an active part in Kashmir's campaign for independence. The freedom fighters told her that she must go as she was a keepsake, but she was welcome to return on her own.

### Punjab Lawlessness Sparks Concern

90AS0039D Lahore NAWA-I-WAQT in Urdu  
10 Apr 90 p 6

[Editorial]

[Text] The other day demonstrations were held to protest police excesses against the shopkeepers and citizens in the Garhi Shahu region. The demonstrators erected blockades in Garhi Shahu square, burnt tires, and blocked the streets from all directions. They then started shouting slogans. The protest demonstrations held in Garhi Shahu reflect the strong emotions of the people which have been building against the police. On the one hand, the citizens are weary of dacoits, murderers, wayside robbers, and subversives. Their lives, property, honor, and dignity are always threatened. They are being looted in broad daylight, and they do not feel secure even in their own houses. On the other hand, the police, instead of remedying their ills and providing them with protection from the antisocial elements, are busy engaged in inflicting physical and mental violence on them. The people are faced with a double suffering, and for the frustrated people the only way out is to resort to protest demonstrations. The newspapers in the provincial capital today have reported dacoity, murder, and theft. These dreadful events have become an everyday affair. But the police either do not have the time to take action against the criminals and bring them to justice, or their workers are busy collecting presents through various tricks, or they are experiencing some difficulty in arresting them. Since these incidents are occurring every day, we too will have to draw the attention of the Chief of Punjab police every day. But it appears that our appeals are being lost in the wilderness. The prevailing situation is no doubt against the people and the province, but the consequences of these incidents are not in favor of the police and the government either. As such, it is the duty of the police to give their attention to their basic duties and deliver the people of Lahore and the province from the clutches of antisocial elements.

### Prevalence of Lawlessness Decried

90AS0014A Rawalpindi NAWA-I-WAQT in Urdu  
16 Mar 90 p 4

[Article by Tariq Ismail Sagar: "Torture, Anarchy, Looting, Murder—Where Will It All End?"]

[Text] Student kills fellow student; robbers kill residents of house; murder committed over rejection of marriage proposal; murder over forced marriage; marchers in

procession stone police, police fire back; religious scholar killed; merchant killed; driver killed; and God knows what else.

These are the news items one reads and hears about nowadays. As perhaps never before, incidents of violence and murder have increased rapidly over the last few years. Robberies are common in large cities, and the surprising part is that no criminal is ever caught unless he is unfortunate enough to make a mistake.

In the meantime, violence has increased along with crime. Abductions of opposing political workers and their inhuman and unethical treatment seems to be a common occurrence. One shudders to think of the barbarous manner in which warring Karachi gangs recently treated each other; they broke bones and inflicted burns over bodies. In these civilized times, it is hard to imagine that, in addition to the hundreds of thousands of horrors the people already face, the inhabitants of the same country who belong to the same race and religion would treat each other with such inhumanity.

Quite often we ignore news items because the incidents have become commonplace and no one pays any attention to them any more. A news report from Peshawar was published recently describing how a supervisor of an opposing faction was captured by union members who then stripped him naked and took him around the factory subjecting him to violence all the while. The poor supervisor kept begging them to throw him into the furnace rather than subject him to such indignity. The brutal treatment caused the supervisor to lose his mental balance. The question is, how can Muslim human beings descend to such depths of barbarism?

If one reads the history of crimes committed after the establishment of Pakistan, one finds that for some time now, the degrading treatment of a murder victim has become quite common. People inflict indignities on their enemies before killing them. What feelings are they trying to assuage in themselves?

Only a psychiatrist can best answer the question, but one can see that violence is permeating the hearts and minds of our youth. To settle minor quarrels or merely to show off their power and impress their opponents, members of student unions in different parts of the country abduct their classmates and take them to torture chambers which they have set up. There they subject the victims to unspeakably barbarous treatment. Inflicting burns with hot irons has become quite common as well as breaking the limbs of classmates.

The extent to which torture has become a part of crime is illustrated by a recent incident of robbery which occurred in a house located in a modern section of Lahore. Robbers broke into the house at two in the morning and took the residents hostage. Perhaps there wasn't sufficient cash in the house to satisfy the robbers who then decided to add a new chapter to the history of crime in Pakistan.

The young robbers held the residents of the house hostage all night long while they themselves sat and watched movies on the VCR. At nine o'clock in the morning, when the banks opened, they drove a young girl of the family to a bank and made her withdraw 200,000 rupees. The robbers then absconded with the money, leaving the girl at the bank.

Here is an example of criminal insolence. They held the residents of a house hostage all night long then, at gunpoint, they made a young girl of the family withdraw money from the bank. They escaped scot-free and are still at large.

A similar incident occurred in Lahore where a young boy was abducted. Taking pity on the parents' tearful pleadings, the abductors snatched the boy away from his mother in broad daylight. A ransom of 200,000 rupees was demanded as the price for the child's life. But providence must have taken pity, for circumstances arose which caused the kidnappers to release the child who then returned home.

Daytime robberies, kidnappings from busy market-places, murder, and assassination attacks have become commonplace. The people can no longer tolerate the situation. Protest marches which start out peacefully suddenly turn violent. Rocks are thrown at the police who then open fire and two or three innocent people are killed. The question is, why are we and in particular our youth, turning to violence with sudden rapidity. Who has given guns, knives, and kalashnikovs to hands which used to carry books? The answer is not very difficult to find, nor is this an insoluble problem which can only be ignored. The fire that is today spreading in the market-places and the highways may engulf us tomorrow. The police have but one reply, namely, that this is a world-wide phenomenon; that crime is on the rise in all countries, especially Third World countries, hence the increase of such [violent] incidents in Pakistan. But this is not a satisfactory answer.

Social problems of our own creation have made nearly everyone cantankerous. We have become obstinate. The sense of responsibility and consideration for relatives is fast vanishing. We no longer treat each other with tolerance. Automobile drivers will not give the right of way to bicyclists and vice versa. These negative feelings are making people angry and divisive. The concentration of wealth in a few hands, the usurpation of life's comforts by a particular class, the misery, neglect, needs, and sense of inferiority of the weak, wretched, white-clad class are affecting their hearts and minds.

A heinous conspiracy has given all the wealth, offices, and comforts of the country to a particular class. These people are not ready to give an ordinary individual his rights and have thus given rise to revolt, mental promiscuity, and intoxication in society. Those who are

deprived of their rights see no other recourse than to step forward and snatch their share of happiness from the hands of the powerful. Unfortunately, conditions are constantly being created which breed a sense of helplessness in the average person. Capable persons do not find jobs whereas the incompetent gain power.

When the foolish and the incompetent rule over the wise and the capable, a severe reaction results. A mental lava keeps heating until the volcano bursts forth wreaking unimaginable destruction. You might be familiar with situations where a man who has quarrelled with his wife comes to the office and takes out his rancour on his subordinates and the subordinate goes home and takes his anger out on his wife and children. These reactions result from deprivation, but there are other reasons as well.

VCR's and Indian films play an important part in promoting violence among us. The enemy's aggression has borne possible if not desirable results. Music centers are springing up like frogs in the rainy season, and no village is immune from their poisonous influence. The business of Indian films is reaping good profits even in remote villages, and these undesirable propaganda films influence young minds. Indian films are made on the formula of 70 percent violence, 30 percent show business, and 10 percent sex, and this three-fold attack is very dynamic and lethal. Young minds are by nature impressionable and cannot be easily reformed.

We lament this attack by the enemy, but no one does anything to remedy it. Every man tries to push his own responsibility on to the government and absolve himself. We do not want our young boys and girls to see these dirty movies, but we are not able to keep these films out of our own homes. We want the police to confiscate all Indian and dirty films from video centers, but we ourselves do not boycott the video centers. This ambivalence has ruined us and rendered us incapable of any action.

We consider each other guilty but are not ready to give an accounting. This ambivalence prevails on the private as well as on the public level and is the cause of violence, unrest, looting, and murder. There can be no salvation without reforming this ambivalence and dissension.

#### **End Urged to 'Adhocism' in River Water Distribution**

90AS0039B Lahore NAWA-I-WAQT in Urdu  
10 Apr 90 p 6

[Editorial]

[Text] A decision has been made in Islamabad to hold a high level meeting to consider the ad hoc distribution of river water in connection with kharif season [autumn crop] to provide the provinces with the required amounts of water. There is an ample supply of water in the rivers and dams, and as such there is no need for load shedding during the month of Ramadan (the month of

fasting). Furthermore, the need for load-shedding is expected to be less compared with last year. Fair and equitable distribution of river waters in the provinces has been postponed for a long time. The distribution of water from India was resolved three decades ago, but it has yet to be resolved between the provinces. The ad hoc system that is being followed in other walks of life is also being adopted here. In view of the defects because of this system, the country is faced with an energy crisis. Insufficient irrigation resources and too much water in other places are causing water-logging. It is a welcome sign that the problem of an equitable supply of water to the provinces in proportion with their needs has been resolved during the high-level meeting in Islamabad. But how long is this "adhocism" going to last. What is the reason for not solving this problem on a permanent basis. Is it possible that this exhibition of good will which is expressed at the time of water distribution will be seen in the context of permanent distribution so that the energy problem with which the country is faced can be resolved. It is the duty of the federal government to find a formula which can free the country from "adhocism" and irrigation problems once and for all, and at the same time be acceptable to all the provinces. The federal government claims that it is popular in all four provinces, and by using this popularity it could make both the Sind and Frontier governments agreeable on the construction of the Kala Bagh Dam. This is the only project on which work can be started at once and from which electricity can be produced within the next three to four years. It is hoped that the federal government will direct all its attention to this matter.

#### **Commentary Views Suggestion To Divide Balochistan**

90AS0043B Lahore NAWA-I-WAQT  
in Urdu 14 Apr 90 p 12

[Article by Aziz Bhatti: "The Bill To Divide Balochistan"]

[Excerpts] Since we discussed the plan to divide Balochistan into two states in these pages, Mir Nabi Bax Zahri, Senate Member, has declared that he would introduce a bill in the Senate to this effect. Senator Mir Nabi Bax Zahri got cooperation from Senator Nawabzada Jehangir Shah Jogeza. Both of these senators are Muslim Leaguers and both had taken part in Pakistan's struggle for independence and later in the referendum to include "British Balochistan" into Pakistan. This bill will go to the National Assembly after it is approved by the Senate.

There are many proponents and opponents of this proposal in both houses of the Parliament. The political parties also have their own opinions about this issue. This proposal is also being discussed hotly outside of the Parliament. Parties and politicians have put this idea, which has emerged in the form of a bill in the Senate, to

a test. Dividing Balochistan means that the areas populated by the Balochs and the Pushtoon would be separated. In addition to the four districts—Qilat, Makran, Kharan, and Basila—Balochistan includes Dera Bagti, Kohlu (Murray), Nasirabad Division, and some areas of Chaghi, Quetta, and Sabi districts. The people living in Zaub, Loralai, Ziyarat, and Pasheen districts, most of Quetta district, and some of Basi district speak Pushtu. It would be very difficult to draw the dividing lines if we want to divide the present states into two separate states. A commission would need to be established and a referendum would have to be prepared to decide in which part Quetta, the present capital of the state, would go. Quetta is populated by thousands of tribals, Punjabi, and Sindhi speaking people in addition to Baloch and Pushtu speakers. The proposal to break the present Balochistan into two states was also presented when Pakistan was formed and again when the decision to break up the one-unit was made. Very solid arguments are presented by the sides supporting or opposing the proposal to divide Balochistan. When this issue is discussed openly in the Parliament, we will learn all or most of the problems associated with it and some solution will be presented putting an end to the daily debate on Balochistan. This issue will also echo in the state's Assembly which is in session now. The present session of the state Assembly is very interesting for several reasons. The former chief minister of Balochistan, Mir Zafarullah Zamali, raised the subject of MQM [Mujahir Qaumi Movement] leader Altaf Hussain's hunger strike. He maintains that Altaf Hussain's hunger strike was not a minor issue and its seriousness must be recognized. He expects deep influence of this hunger strike. Many other political circles also are expressing concern over Altaf Hussain's hunger strike. Then there are some people who are worried about the future of democracy in this country. Some political pundits are forecasting new elections in October or November of this year. Everyone is worried about the developments on our borders. The results of a war are never good. In addition to the destruction during the war, the problems caused by a war remain years after the war is over. Pakistan is a peace-loving country, but when it is forced into a war, the nation will fight the aggressors to protect every inch of its land. However, we must make sure that there is no war on any front. [passage omitted]

There is other important news. Nawab Akbar Bagti, Balochistan's chief minister, and some of his fellow politicians are considering forming a new national political party. They are planning to hold a regular convention for this purpose. According to political circles, this party will be one of the largest parties in the country and will have prominent politicians from the four states as its founding members. It is expected that Nawab Akbar Bagti will be its chairman and the party manifesto will be very attractive to the people. The name and the flag of the new party is also being discussed. Nawab Akbar Bagti's independent group is affiliated with the Balochistan National Alliance [BNA]. The new party will also be affiliated with the BNA in Balochistan. It is

believed that this new party will be announced in a convention followed by a press conference by Nawab Akbar Bagti and his associates.

#### Commentary Critical of Government Spending, Inflation

90AS0031A Lahore NAWA-I-WAQT in Urdu  
30 Mar 90 p 2

[Nazir Naji column "Sawere Sawere" ("The Morning Rap")]

[Text] All the pain of poverty disappears when a second or third budget is presented within a year. This is a luxury which is unavailable to even the people of Europe and America, not to talk of Asia. Their stamina is only so much that they can only take one budget in a year. When the second budget comes, they will be taken back and they will take to the roads, carrying their protest banners. Generating a second budget is not child's play. It is proof of the Pakistani masses' guts that they can sport the luxury of two and three budgets within a year. Publicists and public relations men will describe it as a miracle of the People's government, but in reality this credit goes to General Zia. The practice of presenting several budgets within a year began during his regime. The People's government has only taken a leaf out of his book. When you listen to them, the PPP [Pakistan People's Party] people claim to root out "Zia's legacies," but if we look closely, we find that they are the heirs to most of this legacy. Count the ministers, the MNA's [Member of National Assembly], and the MPA's [Member of Provincial Assembly], and most of them owe their allegiance to the PPP. On the contrary, most of the MRD [Movement for the Restoration of Democracy] people, which remained at logger heads with General Zia, are with the opposition. Leaving aside personalities, in the matter of policies, with the exception of Afghanistan and India, the PPP government is the guardian of almost all of Zia's legacy. General Zia used to invoke Islam and his followers used to bestow on him the title of "Great Faithful". In this context, by levying "the Zia Deduction" in the name of tithes, he played havoc with the savings accounts of poor folks like me. He is gone. His place was taken by people who claim to eradicate his legacies. They do not even describe their government as Islamic, and the head of the government can neither call herself, nor does she call herself, the "Great Faithful," but her government too is collecting "the Zia Deduction" with full devotion.

Perhaps it will not be wrong to say that in "Respecting Zia" the PPP government has gone beyond even his legacies. At the most, what the Zia legacy would have done was to rest content with "the Zia Deduction" from the Ramadan gift, the effect of which is limited to bank account holders. Because they, at least, are aware that in Pakistan, in the holy month of Ramadan, profiteers and hoarders manage a huge artificial increase in prices. Holy Ramadan passes, but prices do not return to their previous level. This is a traditional wave of inflation

which recurs every year. It was for this reason that, during Zia's regime, two things were especially kept in mind. One, that with the approach of Ramadan, the government should not take any such financial measures which might give profiteers an excuse to have their way; and secondly, that a strict watch should be kept over the supply of essential goods. That is why we were less affected by "the Zia deduction," but the PPP government committed a "double Zia deduction". Money was deducted from bank account holders and, by introducing the mini budget, the nation was robbed as well.

It is true that we have governments of different complexions. They claim that they have differing ideologies and policies. But this is mere talk. They all do the same thing, and that is to maximize control over the national resources and pick the the people's pockets. Every succeeding government proves to be following in the footsteps of its predecessor. Bhutto was a critic of the Yahya dictatorship, but he did not withdraw the one rupee surcharge on petrol levied to help the victims of East Pakistan floods. East Pakistan became Bangladesh, but we are still paying this surcharge. In the name of socialism, Bhutto expropriated people's industries and passed these under the control of officialdom. General Zia was openly hostile to socialism, but he did not return the seized industries to their owners. The present government is opposed to General Zia, but it treats his mini budgets and "the Zia deduction" with the same respect. It means that for all their superficial differences and disagreements, when it comes to commandeering public funds and taking control of national resources, all these governments are birds of the same feather. In fact, every succeeding government achieves this object in a more merciless manner.

It did not occur to them while announcing the budget, but later this farfetched justification was given that, "these taxes have been imposed because of India's new budget." This is exactly like saying that, "our neighbor upsets our budget. That wretch goes and buys such things that are beyond our reach" and, in this case, India has not even bought anything. Only a budget has been presented and our budget is due in two months. An increase in defense will be in this budget. This mini budget has nothing to do with defense. Defense savings could have been accomplished had the venue of the 23 March military parade been moved and thereby military funds not wasted. Similarly, talk of pressure from international monetary agencies is also meaningless. These agencies keep putting pressure all the time. It is for the government to resist this pressure and to safeguard the economic interests of its masses. Nevertheless, it is true that such governments that have not been utilizing the loans properly cannot resist the pressure. Unsatisfactory accounts embolden the creditors and they are in a position to get their demands with a heavy hand. It appears that this is exactly what must have happened. This proposal did not originate in the Ministry of Finance, nor was it discussed in a cabinet meeting beforehand, nor did any team of experts analyze it. Even members of the cabinet were taken aback.

The claim is that prices of other goods will not rise, but ask the city dwellers what they are going through? On the first day of fasting a friend went to buy material to break fast. he left home with a 50 rupee note. Having got the goods packed, he reached into his pocket and asked for the bill. The store keeper replied, "Seventy rupees".

"Then what did you do", I asked. "What could I do? I had only fifty rupees in my pocket. I could not take my hand out of the pocket. I smiled sheepishly, and slunk out with my hand still in the pocket."

#### Commentary: Treasury 'Plundered' by Successive Governments

90AS0078A Lahore NAWA-I-WAQT in Urdu  
27 Apr 90 p 3

[Article by Ali Sufyan Afaqi: "Who Will Replenish the National Treasury?"]

[Text] Following a strange tradition of our country, each new government cries about the empty treasury, the bad economy, and asks the nation to make more sacrifices. Then each new government increases spending dramatically. The government and the new leaders acquire more luxuries. The bureaucracy also increases its budget. Princely bequests and gifts are doubled or trebled. There is no decrease in unnecessary expenses of the government or the leaders, however, the "sacrifices" by the people are increased beyond belief. Of course, when the national treasury is empty, they need to levy new taxes. New ways are invented to raise revenue to provide services for the people. However, the lot of our people continues to deteriorate. There is never any decrease in the government's pomp and show. The people are advised to learn to make sacrifices when they complain about new taxes. They are told that the new taxes will not affect them at all. We have been witnessing this scenario year after year and we do not know how much longer do we have to see this. We have seen the "springs" brought in by governments and leaders in various shapes and sizes during the last few years. This tendency just has not changed and there seems to be no hope of its changing in the near future. The national treasury is still empty, the nation is still facing crises, and the government needs fresh sacrifices to face the difficult situation.

Our observations indicate that the "sacrificial" creature other than the traditional lamb is the "people." The people sacrifice lives whenever there is a struggle against dictatorship and they sacrifice themselves to bring in and preserve democracy. It is the people who have to fight when an enemy attacks the country. Of course, the people are there to make sacrifices when the economic situation worsens. The people are pushed to the front when sacrifices are needed in meetings and demonstrations. When there is a campaign against a government, the people are placed in the front row to get shot in their chests. The people have to offer their blood when the religious leaders feel danger to Islam. In sum, the people are always elected to make sacrifices. We have not seen any leader make any sacrifices to this date. However, the

leaders are in the forefront to receive rewards whenever the situation improves. The leaders advise the people to make more sacrifices even when their own privileges, benefits, and luxuries are increased. The prime minister, living in a million rupee house, builds a 100 million rupee mansion. The number of servants, cars, and helicopters is increased. The size of the cabinet and the cars is increased. Fringe benefits and allowances to the parliament members are also increased. They get more money to spend, and the situation of the people gets worse and worse. Thus, the butcher also gets the glories.

This same old drama is being played all over again. The prices of basic commodities have increased, and the government is telling us that the people will not be affected. What happens is that the merchants increase their profit margin, manufacturers increase their prices, grafters increase their bribes, salaries and benefits of the bureaucracy are fattened up, and the farmers and landlords mark up grain prices. Now, who is left? The common people, of course. Who, according to our government, would not be affected by this inflation!

Each government whines about our country being poor, however, the government has more pomposity than the governments of rich countries. Any increase in taxes always affects the common people because the rich and the influential people either do not pay any taxes or make a nominal payment. A huge portion of the wealthy group of our country, the landlords, is totally protected from paying any taxes. No government can tax them because this government and the opposition both hail from this specific group. It does not matter how much they oppose each other on various issues, they are united and speak with one voice when it comes to their mutual benefits.

We read in the newspapers that there was no way to avoid new taxes and price increases and that the people must make this sacrifice. There was another news item telling us that the corporation established to promote FATA [Federally Administered Tribal Areas] was losing money. More than 1.4 billion rupees have been poured into this corporation. The factories that were built have been either closed or running at a loss. Think about this gigantic sum of money! Wouldn't this money have helped decrease the budget deficit if it was used for developmental projects? This is just one example. Except for one or two, there is no government organization that is not losing money and forcing the national economy to absorb billions of rupees in losses every year. The question arises: For whose benefit are these corporations established? Why are they permitted to waste so much money? What action was taken against the persons responsible for these huge losses?

According to the chairman of CBR [Central Board of Revenue?], more than 13 billion rupees have not been collected from taxes dues. Not many people pay taxes. Those who pay taxes, pay only a fraction of what they should. According to the chairman, the whole budget deficit could be removed, and we may have money to

spare, if we collect taxes systematically. We all know what is happening in the department of taxation. Its budget and staff have increased greatly. Still, it cannot collect taxes properly. We know that the reason for this is inefficiency. Who dares to collect taxes from the privileged and those with influence? This department focuses its energy on collecting taxes from the low income and helpless people.

People who have borrowed large amounts of money from our National Bank are not paying back their loans. According to a report, loans totaling about 1.5 billion rupees have not been paid back. This figure is increasing very fast. Who are these people who have received such a huge amount of money and are sitting there nicely? Why is the government unable to make them pay these loans back? We have heard this complaint during the previous governments' tenure. The amount of these loans has increased since the democratic government took over, and the National Bank is on the brink of bankruptcy, and our national economy is in a critical situation. Why don't we have some law to force these people to pay back these loans? We all know the answer to this question.

Our finance minister departed telling us that about 5.4 billion rupees go into the pockets of corrupt officials every year. He still stands by his claim. He could not take any action against corruption and he is not in a position to do anything now. Who is responsible to make sure that this large amount of money returns to our national treasury? Why are these corrupt people given the freedom to do such deeds?

The expenditures of all government agencies are increasing. According to one report, 46 percent of our budget is expended on these unproductive projects. The efficiency of these agencies is decreasing rapidly and the problems of the people are increasing. For example, the situation of safety and security is getting worse, while the salaries and fringe benefits of police personnel are getting a boost. The people have to go hungry to pay for these increases, but they do not get any protection. Who is responsible for reducing the size of these agencies and making sure that they work efficiently? What hurdle lies in the path of decreasing these expenses and making the peoples' lives more comfortable?

Building plots worth billions of rupees were allotted to chosen persons by various governments during the last five to six years. These people earned billions by selling those plots. According to a government representative, out of hundreds of thousands of rupees only about 500 rupees were paid into the national treasury. Some of them did not pay even that much. The government is spending billions on giving gifts to its favorites. It spends 200 to 250 million rupees on one public rally. This money belongs to the people, but they are deprived of it. It is interesting that these "white elephants," after having so many expenses spent on them, cannot afford any time to help the people with their problems. They are too busy working on their own things and these cost

the people money. They people are not interested in learning about which government is so strong. They want solutions to their problems. The elected government and the representatives of the people do not have time or money to solve their problems. There are really so many benefits of a democracy! But, for whom?

#### **Commentary: Tax Agriculture, Cut Defense Spending**

*90AS0065A Karachi AMN in Urdu 1 May 90 p 3*

[Column: "From Jumma Khan's Pen"]

[Text] Prime Minister Mrs. Benazir Bhutto's advisor on Finance, Planning, and Economic Affairs, V. A. Jaffery, has rung the warning bell in connection with the new national budget, and he has indicated that new taxes will be levied. He says it is necessary to broaden the tax base in order to look for new resources, in order to reduce the budget deficit. While advocating the imposition of a sales tax on all goods, he said that this sales tax is needed for the sake of economic progress.

Until only a few weeks ago, the leaders of the united opposition were going around announcing that the new budget will be presented by another government. At that time, they were intoxicated by the 20 March constitutional crisis. But 20 March has come and gone, and the artificial crisis turned out to be a mirage. Therefore, it is no longer being said that the new budget will be presented by another government. For the last one and a quarter months, the opposition has been harping on the propaganda that the Benazir government may fall at any moment, but the public is noticing that the opposition is getting weaker day by day, and the number of the assembly members supporting the government is rising.

There is no doubt that the people's prosperity, the country's progress, and the national security call for an increase in financial resources, but the question is, are the present resources insufficient.

Financial experts say that if the government can collect all the taxes that it has already levied, it won't need to impose new taxes. In this context, this disclosure of Dr. Mahboob Alhaq, the former minister for revenue, should be kept in view that traders and industrialists do not pay taxes to the tune of tens of millions of rupees and the employees of the taxation department take bribes and connive with them and thus the national exchequer suffers.

Against this background, it is worth considering that instead of raising taxes and imposing new taxes, why not create a system for stopping tax thievery.

If taxes are levied fairly and the ability of the tax payer to pay is kept in view, no one needs to resort to tax thievery, but there is no counting the taxes, and the tax burden is so onerous that even very wealthy people are forced to cut corners. Taxes should be minimum in number and there is also a need for a reform of the tax system. If a

new system can be created through consultations among traders, industrialists, and financial experts, it could mean an end to the frustrations of the government and the tax payer both.

The government's revenue resources are by no means inadequate, but its expenditure cannot be described as fair. This is the reason that all the revenue resources appear to be inadequate and there appears to be a need for a search for fresh resources.

We have overlooked the principle: "Cut your coat according to your cloth."

If revenues amount to 100 rupees and an expenditure of 125 rupees is planned, in that case, clearly one will have to look for new resources, and if these resources are not forthcoming debts will be inescapable. If expenditure is planned in accordance with resources, there will be no need for fresh resources, nor will debts have to be incurred.

It is said of the experts who make budgets that they never make budgets with the resources in mind, but rather a list of expenditures is made and then, looking at the resources, it is deliberated from where to obtain the remaining funds to meet the expenditure. Thereafter, the deficit is reduced by raising taxes or imposing new taxes, and loans are obtained to meet the remaining deficit.

The current financial planning structure can be termed unrealistic and, so long as we do not suit our financial policy to our national needs, we cannot rid the people of their economic burden.

A very high proportion of our national income is spent on national defense. The remaining funds are spent on unproductive expenditure. If sometime some money is left over, it is so minuscule as not to permit creation of any major project for progress and prosperity. This is the reason that every year taxes are raised, new taxes are imposed, and huge foreign loans have to be gotten with exorbitant interests.

In proportion to our national area and our national population, our military expenditure is very high. In this context, we can compare ourselves with many countries of the world.

National defense cannot be overlooked, but should we overlook national progress, national prosperity, and self-sufficiency?

The countries with which we share borders include China, India, Iran, and Afghanistan. Excepting India, we do not have conflicts with any other country. Tension with Afghanistan carries no importance because it is only temporary and moreover, compared to Pakistan, Afghanistan is very weak. As far as China and Iran are concerned, relations with them are very friendly.

India also has a political government and Pakistan also has a democratic government.

Can't these two governments sit together and arrive at an agreement which may preclude the possibility of war and the lion's share of their national income may not be wasted on war preparations. If the differences between the two countries can be settled only through war, in that case, war preparations may be tolerated, but if resolution of these conflicts through war is not possible, in that case, what is the use of piling up armaments. Political disputes should be settled through political means, and pending a permanent solution it should be possible to hammer out an agreement so that there may be no resort to war, nor may there arise a threat of war.

General Zia had made India an offer of a no-war agreement. In reply, India said that the Simla agreement was equivalent to a no-war pact and therefore merely a no-war pact is not enough. Both countries should conclude a friendship agreement. Following this counter offer, there were reports that there will be talks between the two countries on the no-war pact offer and the friendship agreement offer simultaneously. But, to this day, it is not known why the talks did not take place and if these talks did transpire, what was the result?

History tells us that, during General Zia's dictatorship, India did not show any enthusiasm for extending relations with Pakistan at any level and it continued to suffer from doubts and suspicions. One reason for this may be that being a democratic country it did not want to shake hands with a dictatorship, and the second reason is that whenever there was a military government ruling Pakistan, India was forced into a war. There was a war during General Ayub Khan's rule, and there was also a war during General Yahya's rule, but during the political rule from 1947 to 1958 there was no war on international borders. There was no war during Martyr Bhutto's political rule, and there has been no war between the two countries since the termination of General Zia's martial law to the present day.

General Zia failed in all his efforts to move closer to India. He initiated cricket diplomacy and also demonstrated goodwill by extending personal hospitality to Indian film artists, but the Indian Government remained over cautious. When General Zia disappeared from the scene, the Indian attitude also changed and it did not hesitate in strengthening relations with the democratic government of popularly elected representatives.

Following the gathering of momentum by the freedom movement in Kashmir it is no longer possible for either government to improve relations and warmongers, who are not concerned with a peace dividend, have fully exploited the opportunity. The Indian Government should realize that political issues can only be resolved through political means and that the situation cannot be improved by resorting to oppression and force. The policy of using force in Indian occupied Kashmir is not in the interest of the Indian Government, and this policy is also fueling tension with Pakistan, which is not only not in the interest of Pakistan and India, but which also damages the interests of the people of entire Asia.

If Pakistan and India initiate regular talks on a no-war pact and a friendship agreement as well, the 1000 billion people of the sub-continent can be safe from war, and the trillions of rupees both countries waste on war preparations each year can be spent on the war against poverty.

The government is looking for new resources in order to meet its increasing obligations and, to this end, it is considering not only an increase in taxes but also the imposition of a sales tax. But this objective can be met by imposing an agricultural tax. All traders and all industrialists are subject to a multitude of taxes, but there is no tax on agricultural income.

Doctors and hospitals are also not subject to taxes, even though many top doctors are working on a commercial basis and many non-government hospitals are being run on a commercial basis. Those well-to-do people and those organizations which are not subject to taxes, can be taxed. Extraordinary increases in national income can also be effected by stopping tax fraud, but the imposition of a sales tax will hit the common man and this tax can in no way lend the government a good name.

The proposal, according to newspaper reports, is that a sales tax should be imposed at the rate of 12 percent, which means that 12 rupees will have to be paid on the purchase of an article worth 100 rupees. And when a sales tax will have to be paid on the purchase of every article, how will it be possible for those paying a tidy sum to shower blessings on the government?

The income that the government expects from the sales tax can also be realized by stopping tax fraud, and new resources can also be generated from an agricultural tax. More direct taxes on the people should be avoided.

#### **Commentary: MQM Should Expand Operations, Leadership Base**

90AS0088A Karachi JANG in Urdu 3 May 90 p 3

[Article by Dr. M. Faruqi: "A Humble Suggestion for MQM"]

[Text] I was thinking about writing on this subject for several days, however, I was afraid that my cry would have been lost in the wilderness. I felt encouraged when Azim Ahmed Tariq, the MQM [Muhajir Qaumi Movement] chairman, himself announced that the MQM was considering changing its name from Muhajir [Refugee] Qaumi Movement to Muttahida [United] Qaumi Movement or Muslim Qaumi Movement. It does not matter whether they decide on Muttahida or Muslim, the objective of this change is the same. They want to get the MQM out of the limited role of representing Muhajirs to the greater national mainstream, to serve the nation sincerely. The abbreviation MQM, however, will not change. The doors of the Muttahida or Muslim Movement should not only be open to the patriotic Sindhi Muslims, especially the peasants, but they should be encouraged to join this party. This group has suffered for centuries and needs help. It will be a good idea to keep

the landlords out of this party. Then, branches of the Muttahida or Muslim Qaumi Movement should be opened in Punjab, Sarhad, and Baluchistan. This will help united the suffering masses in those states into a strong voting power. With few exceptions, the poor and the middle class in any state of our country are very naive and honest. The landlord group has been getting fatter on the votes of this group. The poor people have been getting poorer. The MQM has to take the responsibility to make this group capable of voting for the honest and sincere people. We just cannot expect any good deed from the landlords. The slogan for a Sindhu Desh, even after witnessing the situation in Bangladesh, does not represent the desire of the downtrodden. It is rather the product of the wicked minds of the fat landlords.

During the British rule, job applicants for higher positions, as well as for the positions of peons and police constables, had to sign a statement declaring, "I am a member of a honest family." They had to get signatures of one or more people in their locality to support this statement. This was followed by a competitive examination, and the selection was based on their ranks in this examination. In spite of this close screening, two or four percent of the black sheep used to get selected. The British are world famous for their administrative skills. We started to fill positions based on personal recommendations after Pakistan was established. The system of getting jobs by bribes was also started at that time. Backgrounds of these people were never screened. Now, all government departments are full of thieves and robbers. The merit system was replaced by the quota system. Thus, first class brains were pushed away and third class brains were brought forward. This has adversely affected not only our bureaucratic system but every sphere of our lives. Now, the situation is so bad that neither a state chief minister nor the prime minister can do anything to stop this practice. After all, they are products of this very system. They cannot think of touching the end of the yarn when they want to straighten a ball of scrambled yarn.

Most of our talented and intelligent youth have moved abroad after facing disappointments here. Foreigners are benefiting from their talents. These young people are renowned engineers, doctors, and scientists in their adopted countries and we have been deprived of their skills. Our landlords and their agents are responsible for this whole problem. The only way to get rid of these landlords and their agents is for the MQM to work with the poor and the middle classes in the whole country. There are only two political parties in the nation that are well organized and recognized to be honest. One is the MQM and the other is the religious Jamaat-i Islami. The Jamaat-i Islami is working nationally and the MQM has limited itself to a state. A large number of people want the MQM to change its name and expand its sphere of activities to the whole nation. The word Muhajir [refugee] does not go with our founder's concept of an Islamic nation. We do not have to be narrow minded and

prejudiced just because some regional political parties are narrow minded and prejudiced. Of course, if one is born in Sindh, one must learn to read, write, and speak the Sindhi language. It is one's duty and responsibility.

Without going into the details, I would like to point out that the MQM spread very rapidly in one area. The Muhajirs did not benefit much from this movement, however, the landlords and their agents identified the MQM as a peasant group and used its shoulders to shoot guns from for preying on others. The landlord group sheds crocodile tears for the poor, but always works for its own gains. Maulana Fazlur Rahman, secretary general of Jamiat-i Ulema-i Islam, has claimed that "the PPP [Pakistan People's Party] government had offered us 30 million rupees in bribes to help in the no-confidence movement against the prime minister. We have proof of this offer." The PPP has declared that it would eradicate all corruption in the nation. It has, however, yet to deny Maulana Fazlur Rahman's allegation. How much contradiction is there between the words and actions of these landlords! A woman had asked Nabi Ikram to help her son stop eating sweets. He told the woman to bring her son some other time. When she brought him, he just told the son to stop eating candy. The woman asked him why he did not tell her son to stop eating candy the first time she had come to see him. He replied that he himself used to enjoy eating candy until that day. Thus, actions should match the words before one preaches to other people.

A respected member of the Sindh Assembly has been arrested for the murder of Fozia Bhutto, a female physician in Jinnah Hospital. Another member of the Sindh Assembly is indicted in the kidnaping case of a London businessman, Sayyed Martaza Hussain Bukhari. He is in hiding now. Similarly, a member of the Punjab Assembly is in jail along with his associates and employees for smuggling weapons and drugs. These are but only some incidents presented here to illustrate the general situation. We should think how people with such character flaws who had managed to get into our state and national assemblies are going to serve the nation? It is clear that people of such character were in control of our national government in 1971 when the nation was divided into half.

It is my request at this time to change the name of MQM to Muttahida or Muslim Qaumi Movement and gradually expand its sphere of activities to the four states. This will help us elect honest and educated persons belonging to lower and middle classes during the next general elections. We are surprised at National Assembly member Sayeda Abida Hussain who is a member of a landlord family in Punjab. She stated that, "The future of MQM in our country's politics is very bright. Mr. Altaf Hussain should select his associates very carefully if he wants to play an important role in national politics." Sayeda Abida Hussain continued, "The landlords still control the politics in Punjab. However, Punjab is ready for a new leadership that believes in truth and is above greed, selfishness, and egotism." She continued,

## SOUTH ASIA

"The MQM leadership fits this description. It is composed of young people belonging to the middle class who are distracted from the present materialist mentality and are proud of their poverty. If such a thought is spread among the youth in other parts of the country, Pakistan can become an industrialist country like Japan or Korea." Our congratulations to Sayeda Abida Hussain!

There are weapons that are never used, but are carried as a precautionary measure. It is possible that India might start another war because of the campaign for independence carried out by Kashmiris. It is important for the ruling party to ignore its differences with other parties and demonstrate unity in order to fight the enemy. God is there to help us!

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